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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

MONDAY 24TH NOVEMBER 2025
AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors E. M. S. Gray (Chairman), S. T. Nock (Vice-Chairman), S. Ammar, R. Bailes, S. R. Colella, D. J. A. Forsythe, D. Hopkins, B. Kumar, B. McEldowney, D. J. Nicholl and J. D. Stanley

AGENDA

1. **Apologies for Absence and Named Substitutes**

2. **Declarations of Interest and Whipping Arrangements**

   To invite Councillors to declare any Disclosable Pecuniary interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

3. **To confirm the accuracy of the minutes of the Audit, Standards and Governance Committee meeting held on 29th September 2025** (Pages 5 - 16)

4. **Standards Regime - Monitoring Officers' Report** (Pages 17 - 22)

5. **External Audit - Verbal Update**

6. **Risk Management Report/Quarterly Risk Update** (Pages 23 - 34)

7. **Cyber Security Update (Including WhatsApp and AI Policy)** (Pages 35 - 72)

8. **Internal Audit - Progress Report** (Pages 73 - 86)

9. **Financial Compliance Report including update on Statement of Accounts** (Pages 87 - 98)

10. **Risk Champion - Verbal Update**

11. **Audit, Standards and Governance Committee Work Programme** (Pages 99 - 100)

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

14th November 2025

If you have any queries on this Agenda please contact
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B R O M S G R O V E D I S T R I C T C O U N C I L

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

29TH SEPTEMBER 2025, AT 6.00 P.M.

PRESENT: Councillors E. M. S. Gray (Chairman), S. T. Nock (Vice-Chairman), S. Ammar, R. Bailes, S. R. Colella, D. J. A. Forsythe, B. Kumar, D. J. Nicholl, J. D. Stanley and H. D. N. Warren-Clarke

Observers: Councillor S. J. Baxter, Cabinet Members for Finance

Officers: Mr B. Watson, Ms. N Cummings, D Goodall, Mrs S. Woodfield

Other Parties: Mr A. Mughees and Ms. H. Clark

17/25 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received on behalf of Councillor D. Hopkins with Councillor H.D.N. Warren-Clarke in attendance as the substitute.

18/25 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of any whipping arrangements.

19/25 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 14TH JULY 2025**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 14th July 2025 were submitted for Members' consideration.

It was felt by some Members that the announcement at the start of the minutes concerning the appointment of Councillor E.M.S. Gray to the Board may not have be in keeping with the constitution and expressed dissatisfaction.

Also during consideration of the item, Members requested the following to the minutes:

Page 5, Minute No. 1/25 to add, "During the voting process Councillor D.J. Nicholl proposed that Councillor S. Ammar be appointed Chairman of the Committee. This was seconded by Councillor J.W. Robinson".

Page 5, Minute No. 2/25 typographical error, which read:

"Councillor D. Hopkins proposed that Councillor S.T. Nock be appointed Vice-Chairman of the Committee. This was seconded by Councillor B. Kumar".

Which should read:

"Councillor B. Kumar proposed that Councillor S.T. Nock be appointed Vice-Chairman of the Committee. This was seconded by Councillor D. Hopkins".

It was also reported by Councillor S.R. Colella that his apologies had been omitted from the minutes.

RESOLVED that the minutes of the Audit, Standards and Governance Committee held on 14th July 2025, subject to any amendments be approved as a correct record.

20/25 **ANNUAL REVIEW FROM THE LOCAL GOVERNMENT OMBUDSMAN**

The Committee considered the report on the Local Government Ombudsman's Annual Review Letter, which set out the statistics for complaints made against the Council covering the year ending 31st March 2025.

Members were informed that the Local Government Ombudsman had changed its reporting approach. Annual letters would only be issued in cases of exceptional practice or concerns about complaint handling. Bromsgrove District Council (BDC) had not received such a letter for the period ending 31st March 2025.

During that period, 3 new complaints were received and 6 were decided. Of the 6 decided cases, only 1 complaint was upheld, relating to housing and home adaptations under a Disabled Facilities Grant. Both BDC and Worcestershire County Council (WCC) were found to be at fault, resulting in a service failure. The Ombudsman's recommendations were detailed in the report and had been considered by Cabinet on 22nd January 2025. All recommendations had been complied with. Of the remaining decided complaints, 3 were referred back to the Council as premature and 2 were closed after initial enquiries due to insufficient evidence of fault or injustice. A link to the Ombudsman's website was provided for Members to view statistics for other local authorities.

After the presentation the following were discussed:

- What lessons were learned from the upheld complaint? - Officers confirmed that the report's purpose was to present statistics and that all recommendations had been implemented.
- Clarification on complaint numbers and suggested tabular presentation for clarity was requested. – In response it was

confirmed that the six decided complaints included cases carried over from the previous period and that no complaints remained unresolved at the end of the municipal year.

- Concerns were raised about the lack of feedback from the Ombudsman regarding how close the Council was to receiving either commendation or criticism. - Officers confirmed that the Ministry of Housing, Communities and Local Government (MHCLG) had submitted proposals for improving complaint handling and that the Council would review its procedures to align with best practice. Members expressed interest in pursuing improvements to transparency and identifying recurring issues in complaint handling. Officers agreed to produce relevant statistics and revise the complaints policy accordingly.

RESOLVED that the Annual Review from the Local Government Ombudsman report be noted.

21/25 **AUDIT UPDATE REPORT 2023/24**

The Chairman initiated discussions with the Committee regarding the use of acronyms within the audit report, noting that several had been used without explanation and requested clarification for the benefit of all attendees. The external auditors for the Council, Ernst and Young (EY) acknowledged the oversight and committed to ensuring that acronyms would be explained throughout future reporting.

The Committee were informed in further detail that the Ministry of Housing, Communities and Local Government (MHCLG) was a government department involved in coordinating the reset and recovery of the local audit system, particularly in relation to backstop dates and clearing audit backlogs. The National Audit Office (NAO) was a Central Government body responsible for setting the Code of Audit Practice, which outlined the roles and responsibilities of auditors. The Financial Reporting Council (FRC) acted as the regulator for audit firms, inspecting their work to ensure high quality audits, who had also contributed to the sector wide reset and recovery efforts.

The report provided a background and status update on the 2023/24 audit for the Council and context regarding the Government's legislation aimed at clearing the backlog of local audits and establishing a sustainable audit system.

It was noted that the Council had missed Phase One of the recovery deadline, as the 2021/22 and 2022/23 accounts were signed in January 2025, beyond the 13th December 2024 backstop date. This delay impacted the 2023/24 accounts, which were not published until mid-January 2025, with the inspection period ending on 27th February 2025. Consequently, Phase Two of the recovery had not been met.

The audit commenced in June 2025, following onboarding delays. Challenges were encountered which included management resources

being prioritised toward meeting the 30th June 2025 deadline for publishing 2024/25 draft statements, conflicting annual leave schedules and delays in the provision of requested information.

It was acknowledged that the Council had not been subject to audit for several years, which had impacted capacity and created challenges for the management team, however, efforts to address the issues was ongoing.

Despite the disclaimer of opinion on the 2023/24 financial statements, EY confirmed that auditing standards required certain procedures to be performed, which were currently underway. The local regulations also required Value For Money (VFM) work to be completed, which was also in progress.

Following the presentation Members raised the following queries:

- Several governance issues were highlighted on page 40 of the report, including high staff turnover, public correspondence and challenges with the finance system, particularly around compliance with taxation laws, which required further explanation. - EY explained that these issues related to significant weaknesses identified by Grant Thornton in the 2022/23 financial reporting. Members were also informed that high staff turnover had led to a loss of corporate knowledge, particularly due to interim arrangements in statutory positions during the 2020–2024 period. Correspondence had been received from a member of the public outside the formal inspection period which raised concerns about governance arrangements, including fraud policies. The audit team was assessing whether follow-up procedures were necessary and considering the correspondence in relation to both 2023/24 and 2024/25 arrangements.
- If fines had been issued to the Council due to delays? - It was confirmed that no fines had been issued to the Council due to delays in presenting audited accounts. The Government had not indicated any sanctions when setting backstop dates and the delays had not impacted the Council's ability to borrow or apply for grants.
- Whether the issues reported would affect the new authority under Local Government Reorganisation (LGR)? - It was clarified that the Council had caught up with outstanding accounts and was working to complete the 2024/25 accounts before the statutory deadline of 26th February 2026. The aim was to ensure a clean set of accounts for BDC closure in 2028, with transitional arrangements in place for the new unitary authority.
- Concerns were raised about the reliability of other authorities' accounts and the implications for future decision making. - Assurance was provided that although some authorities had disclaimed accounts, VFM assessments would still be conducted. The Government would make final decisions following the Council's business case submission on 28th November 2025.

- Further clarification was requested for the VAT returns. - It was explained that the Council had not submitted VAT claims for approximately three years, resulting in His Majesty's Revenue and Customs (HMRC) owing money to the Council. The Council had received its refund and ongoing assurance work was being conducted with HMRC. Monthly VAT returns were being submitted and finance staff would be receiving further training.
- Clarification was sought on the seriousness of the public correspondence received by the auditors. – It was confirmed that while there was no obligation to formally respond, EY was considering the contents and discussing relevant matters with the Council. A Member suggested that the whistleblowing policy should be used as a framework for addressing such concerns. Members were also informed that the internal audit plan included a review of the Council's counter-fraud, bribery and corruption framework, which would provide an independent report to Members and management.

RESOLVED that the Annual Update Report 2023/24 be noted.

22/25 **INTERNAL AUDIT PROGRESS REPORT**

The Committee received the routine internal audit progress report. It was noted that good progress had been made since the audit plan was approved in July 2025. The service was fully staffed and 82 audit days had been delivered against a full year plan of 250. Although this was below the pro-rata target, it had been planned to load more work into the second half of the year.

It was further reported that 2 audits were at draft report stage and 7 were in progress. Members' attention was drawn to the report provided which detailed 22 outstanding recommendations, including 1 high and 3 medium priority actions overdue as of June 2025. It was confirmed that actions related to aged debt reporting had since been implemented, reducing the total to 20 outstanding. The remaining overdue actions related to member training on cybersecurity and confirmation that third-party contracts included robust data security provisions. It was noted that the Council's new procurement regulations were expected to address the latter, pending confirmation.

Members also noted that no significant changes to the internal audit plan were proposed. Members were informed of upcoming team training events which included assignment management training and integrity and objectivity training.

Member questions and comments were as follows:

- Further details were requested regarding the effectiveness target of 75%. - It was clarified that this was a judgement-based target, not a national standard and that the current performance was above 75%.

- Clarification on the internal control limitations were also requested. - It was explained that the statement reflected inherent limitations in audit work and was a standard disclaimer.
- Concerns were raised regarding cybersecurity training compliance. - It was informally suggested by the internal auditor that sanctions, such as account suspension, could be considered for non-compliance. Members were reminded of the importance of completing training due to the national risk level. Members discussed the suggestion of repeating phishing email exercises to encourage training completion. It was confirmed that a phishing test had recently been conducted and feedback mechanisms were discussed.
- Clarification on the previous audit of the procurement policy was also raised. - It was confirmed that the previous audit resulted in limited assurance and that a follow-up audit was planned for later in the financial year and that the scope would include the new policy and its application. Members also queried whether vetting of business owners was included; it was clarified that vetting focused on the entity's financial viability rather than individual owners.
- The Chair and Members discussed risks which related to using personal devices for Council work and transferring documents with potential gaps in security and the need for further review.

RESOLVED that the Internal Audit Progress Report be noted.

23/25 **FINANCIAL COMPLIANCE REPORT**

The Committee received an update from the Assistant Director of Finance and Customer Services on progress made in response to the Section 24 Statement and the Council's financial recovery and stabilisation efforts.

It was reported that the Council had made good progress overall, with key deliverables such as the Quarter 1 Finance Performance and Treasury Management reports completed. However, 2 national returns remained outstanding which included VAT returns and Whole of Government Accounts (WGA).

Significant work had been undertaken with HMRC and tax advisors (PS Tax) with monthly VAT returns being submitted. A VAT accountant had been appointed and mandatory VAT training was being rolled out across the finance team, with introductory training planned for the wider organisation.

The WGA had not been produced for several years, in line with many other authorities. A substantial mapping exercise was planned to bring the Council back on track.

The 2023/24 and 2024/25 accounts were expected to be disclaimed due to audit timelines. Public consultation on the 2024/25 accounts had closed on 11th August 2025 and discussions with EY were ongoing.

The Council had transitioned to clearing routine accounts on a monthly basis, marking a significant step forward from previous backlog clearance efforts.

Following the presentation, Members and Officers discussed the following:

- Adequacy of the Tech One finance system. - Officers confirmed that a detailed health check was underway to assess whether the systems configuration could be improved or required partial reinstallation. Lessons had been learned from the initial implementation and the Council aimed to have a fully functioning system in place, ahead of Local Government Reorganisation (LGR).

- Concerns were raised about past issues with the Tech One system and the importance of rigorous testing before adopting systems in the future were emphasised. Members urged Officers to “test to break” and avoid pioneering unproven software.

- Members noted that Worcestershire County Council (WCC) had adopted the Tech One system. However, any future unitary authority would likely implement a new system rather than inherit existing installations.

A verbal update on the financial stabilisation plan was provided by the Deputy Chief Executive and Chief Finance Officer. The recovery phase had placed significant strain on the finance team and stabilisation was the priority. Several interim appointments had been made to strengthen the team including Chief Accountant (interim), Finance Services Manager, 2 Senior Finance Business Partners (permanent), 2 Finance Business Partners (interim), VAT Specialist, Tech One Systems Manager and Tech One Technical Support Officer.

A Project Manager was still to be recruited who would oversee major workstreams. The Council would utilise its finance stabilisation reserve to fund these temporary arrangements. A report outlining the structure and associated budget pressures was being prepared.

Following the financial stabilisation update, Members made the following comments:

- A request for an organisational chart of the finance team, showing filled and vacant posts. - Officers confirmed that this would be shared once it was reviewed by Senior Management and Leadership.
- The Chair and Members expressed appreciation for the finance team’s efforts, acknowledging the pressure they had endured.
- The Portfolio Holder for Finance confirmed her support for the stabilisation approach, recognising the need to separate project work from day-to-day operations and the importance of investing in short-term capacity to secure long-term resilience.

No areas of concerns were noted by the Board for Cabinet's consideration.

RESOLVED that

1) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 accounts.
2) The Committee note that the 2024/25 Accounts public consultation period finished on 11 August 2025.
3) The Committee note the position in regard to other financial indicators set out in this report.
4) The current position with the Council's new External Auditor, Ernst and Young, be noted.
5) Note the position on the Financial Stability Plan following the successful delivery of the Financial Improvement Plan.

24/25 **ANNUAL GOVERNANCE STATEMENT**

The Committee received the Annual Governance Statement (AGS) for the financial year ending 31st March 2025. It was explained that the AGS was a statutory requirement under the Accounts and Audit Regulations 2015 and provided a corporate overview of governance arrangements. Although it formed part of the Statement of Accounts, it was not a financial report.

The AGS was based on principles of good governance set out by The Chartered Institute of Public Finance and Accountancy (CIPFA) and The Society of Local Authority Chief Executives and Senior Managers (SOLACE) and covered systems, processes, culture, values, strategic objectives, stewardship of public funds and VFM. It also included internal controls, risk management, performance monitoring, compliance with the constitution, decision-making processes, scrutiny functions and contributions from internal and external audit.

It was noted that the AGS identified significant governance issues, including delayed accounts and the Section 24 statements. The delay in signing off the 2023/24 accounts was attributed to the withdrawal of the Council's previous external auditors Bishop Fleming and the onboarding of EY. The Council had made representations to Central Government explaining the delay, which were accepted.

The Committee was informed that although disclaimer opinions were expected for 2023/24 and 2024/25, each audit cycle was providing increasing levels of assurance. The Council was working towards achieving a full audit opinion in future years.

Members raised several points as follows:

- The AGS should include a summary of significant issues at the beginning of the report and proposed a comparative table showing

progress from the previous year. - Officers agreed to include a summary of key movements in future reporting.

- The lack of an appeals processes for complaints and the need for safeguards to ensure fair treatment was raised by Members.
- The governance basis for the AGS was also discussed, referencing outdated documentation on the Council's website. Officers acknowledged the need to update the website and confirmed that the AGS was based on best practice guidance from CIPFA and SOLACE.
- The Portfolio Holder suggested adding a future agenda item to invite the Monitoring Officer to explain the standards regime and councillor conduct procedures.
- A policy was suggested to avoid adopting untested software systems, referencing past issues with the Tech One financial system. - Officers noted that lessons had been learned and would be passed on to any future unitary authority.

RESOLVED that the Annual Governance Statement be noted.

25/25 **RISK CHAMPION (OVERVIEW OF ROLE AND CONSIDERATION OF APPOINTMENT)**

The Chairman addressed the Board and requested that the Committee consider the draft terms of reference for the Risk Champion role, following the previous postholder stepping down and requests for a draft role description and proposal to be reported back to Committee.

The purpose of the role was outlined, acting as a key advocate for effective risk management within the Council, supporting the development of risk awareness and providing a link between the Council's risk management function and elected members.

Discussion points were as follows:

- The previous Risk Champion shared experience in the role noting that while reports had been produced and worked closely with Officers, the role lacked impact and visibility. Reports did not reach Cabinet and therefore questioned the expectations of the role and its effectiveness.
- A Member suggested reviewing previous reports and learning from past work rather than starting afresh.
- It was confirmed that the Risk Champion had not attended the Council's Corporate Risk Management Officer Group, although this had been proposed.
- A Member raised the longstanding issue of the absence of a lay member on the Audit Committee, which was common practice in other councils. It was also suggested that the role of Risk Champion could be fulfilled by a lay member, though acknowledged that Local Government Reorganisation (LGR) may limit feasibility in the short term.

- The Portfolio Holder noted the challenge of the Risk Champion operating outside the Council's operational structure and suggested that departmental Risk Champions might be more effective and queried how many currently existed. Members also discussed whether the role should focus solely on risks to the Council or also include risks to individual members, such as reputational or safety concerns.
- The Deputy Chief Executive and Chief Finance Officer explained the function of the Corporate Risk Management Officer Group, with meetings scheduled every 6–8 weeks and reviewed departmental and corporate risks, mitigation strategies and residual risk ratings and confirmed that the Risk Champion could be invited to attend these meetings.

Following consideration of the item, a recommendation was proposed by Councillor S.R. Colella.

The recommendation was:

The Committee invite Group Leaders to consult with their members to identify interest in taking on the Risk Champion role. The draft terms of reference to be shared, with flexibility for the appointed member to propose amendments, subject to the Committee's approval.

The recommendation was proposed by Councillor S.R. Colella and seconded by Councillor S. Ammar.

On being put to the vote the recommendation was carried.

RESOLVED that the Risk Champion (Overview of role and consideration of appointment) be noted.

26/25 **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME**

The Audit, Standards and Governance Committee Work Programme was considered by Members.

Members briefly reviewed the Committee Work Programme and discussed whether to incorporate the earlier conversation regarding the possible inclusion of standards regime and councillor conduct procedures. It was agreed that feedback from the Monitoring Officer would be sought before deciding whether to formally add discussions on Members Conduct and reporting requirements to the work programme. It was also noted that the Monitoring Officer was scheduled to present a report at the next meeting on 24th November 2025 and it was suggested that this would be an appropriate opportunity to raise the matter.

RESOLVED that the contents of the Committee's work programme, as reported, be noted.

The meeting closed at 8.27 p.m.

Chairman

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BROMSGROVE DISTRICT COUNCIL

Audit, Standards & Governance Committee 24th November 2025

MONITORING OFFICER'S REPORT

Relevant Portfolio Holder		Councillor K. May
Portfolio Holder Consulted		Yes
Relevant Head of Service		Claire Felton
Report Author Claire Felton	Job Title: Assistant Director of Legal, Democratic and Procurement Services Contact email: c.felton@bromsgroveandredditch.gov.uk	
Wards Affected		N/A
Ward Councillor(s) consulted		N/A
Relevant Council Priority		Sustainable
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee is asked to RESOLVE that:-

1) subject to Members' comments, the report be noted.

2. BACKGROUND

2.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Standards and Governance Committee since the last update provided at the meeting of the Committee in July 2025.

2.2 It has been proposed that from 2025-26 a report of this nature be presented to the Committee on a quarterly basis to ensure that Members are kept updated with any relevant standards matters.

2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by Parish Councils, will be reported verbally by Officers at the meeting.

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising out of this report.

4. LEGAL IMPLICATIONS

4.1 Chapter 7 of Part 1 of the Localism Act 2011 ('the Act') places a requirement on authorities to promote and maintain high standards of conduct by Members and co-opted (with voting rights) Members of an authority. The Act also requires the authority to have in place arrangements under which allegations that either a district or parish councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such allegations can be made.

5. COUNCIL PRIORITIES - IMPLICATIONS

Local Government Reorganisation Implications

5.1 There are no direct implications for Local Government Reorganisation.

Relevant Council Priorities

5.2 It is important to ensure that the Council manages standards regime matters in an appropriate manner. The issues detailed in this report help to ensure that the Council is sustainable.

Climate Change Implications

5.3 There are no specific climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 There are no direct implications arising out of this report. Details of the Council's arrangements for managing standards complaints under the Localism Act 2011 are available on the Council's website and from the Monitoring Officer on request.

Operational Implications

Member Complaints

6.2 Since the last report the complaints received are as follows:

BROMSGROVE DISTRICT COUNCIL

Audit, Standards & Governance Committee 24th November 2025

Q1 2025

5 Member to Member complaints – All resolved (4 assessed as not conduct matters and 1 resolved informally).
2 Public -v- Member complaints – All resolved (both assessed as not conduct matters).

Q2 2025

5 Member to Member complaints – Resolved informally.
2 Public -v- Members – Resolved (both assessed as not conduct matters).

New Complaints

3 Public -v- Members – Resolved (all assessed as not conduct matters).

					Age Analysis			
Type of complaint	Unresolved from last meeting	New complaints this period	Resolved this period	Unresolved at date of meeting	2025 Q2 (July-Sept)	2025 Q1 (Apr-June)	2024 Q4 (Jan-March)	2024 Q3 (Oct-Dec)
Member to Member	0	0	5	0	5	5	4	2
Public to Member	0	3	3	0	2	2		
Other complaint 1								
Other complaint 2								
Other complaint 3								
Total	0	3	8	0	7	7	4	2

Constitution Review

6.3 The Constitution Review Working Group (CRWG) is responsible for reviewing the content of the Council's constitution. Any proposed changes arising from meetings of the group are reported for the consideration of Council.

6.4 At the request of Members the meeting of the CRWG that was scheduled to take place on 29th July 2025 was postponed and rescheduled to take place on 16th September 2025. During this meeting, Members revisited items that were proposed at a meeting of the group held in July and also discussed matters such as the retention schedule rules in respect of the live streaming of meetings.

Member Development

6.5 The Member Development Steering Group (MDSG) is responsible for co-ordinating Member training, induction and ICT support. The group meets throughout the year.

6.6 A meeting of the Member Development Steering Group took place on 27th October 2025. During this meeting the group received an ICT Update and feedback from Members for the Planning Refresher Training which took place on 2nd June 2025.

Member Training

6.7 A small number of Member training sessions have been arranged for 2025/26. This reduced number of training sessions has been booked in accordance with arrangements requested by the MDSG. In line with the approach agreed by the MDSG, some of this training will be delivered jointly with Redditch Borough Council, whilst other sessions are bespoke and being delivered to Bromsgrove Members only.

6.8 The MDSG has previously requested that the majority of training should be delivered in person. However, Members can opt to attend most training sessions remotely, with the link to the session provided on request.

7. RISK MANAGEMENT

7.1 The main risks associated with the details included in this report are:

- Risk of challenge to Council decisions; and
- Risk of complaints about elected Members.

8. APPENDICES and BACKGROUND PAPERS

No appendices.

Chapter 7 of the Localism Act 2011.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor K. May, Leader and Cabinet Member Strategic Partnerships Economic Development and Enabling	12/11/25

BROMSGROVE DISTRICT COUNCIL

Audit, Standards & Governance Committee 24th November 2025

Lead Director / Head of Service	Claire Felton - Assistant Director of Legal, Democratic and Procurement Services	N/A
Financial Services	N/A	N/A
Legal Services	Nicola Cummings, Principal Solicitor (Governance)	6/11/25

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BROMSGROVE DISTRICT COUNCIL

Audit, Governance and Standards Committee 24.11.2025

Corporate Risk Update Quarter 2 2025/26

Relevant Portfolio Holder		Councillor Baxter
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall, Assistant Director of Finance and Customer Services
Report Author Nicola Parry	Job Title: Exchequer Services Manager Contact Nicola Parry email: nicola.parry@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		Aspiration, work and financial independence
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. SUMMARY

This report sets out Council activity to identify, monitor and mitigate risk at a corporate level.

2. RECOMMENDATIONS

The Committee/Cabinet is asked to:

- Consider the strategic risks detailed in the Corporate Risk Register.
- Consider and comment on the changes to risk scores and removal/additional of new risks.

3. KEY ISSUES

Background

3.1 The Corporate Risk Register must continue to ensure that the Council's most significant strategic risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored and reported.

3.2 The Corporate Risk Register is reviewed by the Corporate Risk Management Officers Group (CRMOG) quarterly, changes and updates to the register to be reviewed by AS&G Committee quarterly in accordance with the Risk Management Strategy. Notes of the latest meeting are attached at Appendix 1.

3.3 A result of audit reports and reviews in both 2021 and 2023 processes have been introduced:

- Departmental ownership of service risks and reviews at service management teams on a monthly basis.
- Regular review and development of active risk mitigation to reduce the impact of the risks – ensuring the Council moves to an embedded process where risk becomes managed as part of normal business.
- Recently upgrading the '4Risk System', which is the Councils' repository of risk information and management.
- That the Corporate Risk Management Officer Group has actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.

3.4 The latest audit of Risk Management Embedding 2024-25 dated 1 June 2025 was a risk-based systems audit of the Risk Management as operated by Redditch Borough Council; this produced an audit opinion of 'Reasonable Assurance'.

The Definition of a Corporate Risk

3.5 The following definition of a of how risks move from being "departmental" to being "corporate" in nature was recommended by the CRMOG approved by CLT:

"*For a **Risk** to move from being '**departmental'** in nature to being '**corporate'** in nature that it **must have significant impact on Councils finances, be cross departmental in nature, and/or result in Serious reputational damage.** The Officer Risk Board will vet departmental risks using this definition to move then to Corporate Risks at their quarterly meetings."*

Corporate Risks

3.6 Corporate Risks are summarised in the following table. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas.

3.7 There have been the following changes since the Q1 report:

- **Delivery of the Towns Fund and Levelling Up Board (COR0010)** – moved from an inherent risk of 12 to 9 and residual risk of 12 to 6
  LUF projects will complete in May 2026 so in advance of the funding deadline. Town Deal programme is on track to spend Town Deal funds before the end of March 2027 with activity after this date funded by LEP

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- **Bromsgrove DC Being placed into special measures due to quality of planning application decisions COR0009** – moved from an inherent risk or 9 to 6

  Managers support maintaining a good turnover of major applications, so as to provide a stable numerical base.
  Managers continue to closely monitor appeal decisions. Planning committee members are now provided with performance information via a report at Committee. This is done on a quarterly basis.

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RISK TREE REPORT

00. CORPORATE RISKS (14)

Reference	Risk Title	Risk Owner	Risk Lead	Status	Inherent	Residual
COR0001	Non Compliance with Health and Safety Legislation	Bob Watson	Bob Watson	Open	12	9
COR0002	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence	Bob Watson	Helen Mole	Open	16	6
COR0003	Non adherence with Statutory Inspection Policy	Simon Parry	Simon Parry	Open	20	16
COR0004	Management of Contracts	Bob Watson	Claire Felton	Open	6	6
COR0005	Resolution of the Approved Budget Position	Bob Watson	Debra Goodall	Open	6	6
COR0006	Protection from Cyber Attack	Bob Watson	Mark Hanwell	Open	20	
COR0007	Adequate Workforce Planning	Bob Watson	Becky Talbot	Open	12	9
COR0008	Financial Position Rectification	Bob Watson	Debra Goodall	Open	6	6
COR0009	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions	Ruth Bamford	Ruth Bamford	Open	6	6
COR0010	Delivery of Levelling Up and Towns Fund Programmes	Rachel Egan	Rachel Egan	Open	9	6
COR0011	Cost of Living Crisis	Bob Watson	Debra Goodall	Open	16	12
COR0012	New Customer Facing Interface	Bob Watson	Mark Hanwell	Open	16	16
COR0013	Environment Act 2021	Simon Parry	Matthew Austin	Open	16	16
COR0014	Devolution & LGR	John Leach	Bob Watson	Open	20	

Service (departmental) Risks

3.8 There are 47 service risks identified on the '4Risk' system. There have been no movements since the previous report. These are summarised in the following table:

Service Area	Red following mitigation	Amber following mitigation	Green following mitigation	Total number of risks
Customer Services		1		1
Revenues	1	2	1	4
Benefits		1	3	4
Finance		2	1	3
Environmental Services		5	1	6
Leisure & Cultural Services		1		1
Regeneration & Property Services		3	2	5
ICT		2		2
Planning		1		1
Housing		9	7	16
Community Services		1	2	3
HR			1	1
Total departmental risks	**1**	**28**	**18**	**47**

3.9 Details of all risks are on the new '4Risk' system, and access can be given on request from Sarah Carroll (sarah.carroll@bromsgroveandredditch.gov.uk)

Insurance

3.10 The Councils successfully renewed the insurance contract via the tender process in July. The Council is now running a year after other Worcestershire Councils who renewed last financial year. This was due to the need to review our policies separately to the group. Insurers are now requesting significantly more detail and there was a great deal of effort put in by the insurance officer and her team to get data to the required standard. This issue highlighted a deficiency in property data capture – which links to the Corporate Customer Risk linked to data.

The Risk Management Framework

3.11 Risk Management Training. There remains a requirement for Corporate Risk training (Members) and existing processes need further embedded in the organisations to increase assurance. We have spoken to 4Risk about member training as officers have now undertaken it. Dates to be circulated for members.

4. Legal Implications

4.1 No Legal implications have been identified.

5. Financial Implications

5.1 Effective risk identification, and management of those risks, is integral to the delivery of effective and efficient services to residents and businesses. Risk impacts can be both financial and reputational.

5.2 The Council spends significant sums insuring itself and must also hold Reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.

6. Strategic Purpose Implications

Relevant Strategic Purpose

6.1 A comprehensive Risk Management approach ensures risk and its consequences is minimised for the Council.

Climate Change Implications

6.2 The green thread runs through the Council plan. This includes risks linked to activities and actions that link to our climate.

7. Other Implications

Customer / Equalities and Diversity Implications

7.1 If risks are not mitigated it can lead to events that could have Customer/Equalities and Diversity implications for the Council.

Operational Implications

7.2 Risks are inherent in almost all the Councils operational activities and therefore significant risks need to be identified, monitored and mitigated.

Governance implications

7.3 The Corporate Risk Management Officer Group is chaired by the Council's Senior Information Risk Officer (SIRO) who is the Deputy Chief Executive and Chief Finance Officer. The group is made up of the key heads of service and meet quarterly to review the register. The risk register is reported to both the Senior Leadership Team and the Corporate Leadership Team every three months and/or additionally when a new risk is identified or a risk rating has fundamentally changed.

8. Risk Management

8.1 The Corporate Risk Register includes high level risks. Each risk is rated between 1 and 5 as to how likely it is to occur and also between 1 and 5 as to the potential financial and/or reputational impact. The product of these two numbers gives the initial rating. Mitigation is then put in place to help reduce the risk rating.

9. APPENDICES

Appendix 1 – Minutes of Corporate Risk Management Officer Group – 21 October 2025

AUTHOR OF REPORT

Name: Nicola Parry Exchequer Services Manager
E Mail: nicola.parry@bromsgroveandredditch.gov.uk

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Appendix 1

Corporate Risk Management Officer Group

Meeting

21.10.2025

Risk Board Meeting

21st October 2025

Risk	Notes
Corporate	
Non-Compliance with Health and Safety Legislation	**No Change**
Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence	**No Change**
Nonadherence with Statutory Inspection Policy	**No Change**
Management of Contracts	**No Change – Bob & Claire to discuss**
Resolution of the Approved Budget Position	**No Change – Bob & Deb to discuss**
Protection from Cyber Attack	**No Change**
Adequate Workforce Planning	**No Change**
Financial Position Rectification	**No Change**
BROMSGROVE DC Being placed into special measures due to quality of planning application decisions	**This has changed to Green.** **Managers support maintaining a good turnover of major applications, so as to provide a stable numerical base Managers continue to closely monitor appeal decisions Planning committee members are now provided with performance information via a report at**

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Risk	Notes
	Committee. This is done on a quarterly basis.
Delivery of Levelling Up, Towns Fund, UK SPF Initiatives	No Change
Cost of Living Crisis	No Change
New Customer Facing Interface	No Change
Environment Act 2021	The main risk is financial as the funding is unknown for new costs.
Devolution & LGR	No Change

Service Risks

Risk	Notes
Customer Services	
Non-Compliance RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres	No Change
Benefits	
Fail to effectively resource the service to meet demands	No Change
Impact of Welfare Reform Act	No Change
Impact of ELF scheme	No Change
Benefits subsidy	No Change
Revenues	
Performance Information data is not robust	No Change
Reduced collection rates	No Change
Failure of corporate Fraud and Compliance team	No Change
Data Compliance	No Change
Finance	

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Risk	Notes
Fail to provide adequate support to managers to manage their budgets	**No Change**
Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	**No Change**
Purchasing Non-Compliance	**No Change**
Environmental Services	
Fail to adequately maintain and manage car parking and On Street enforcement	**This risk will be transferred to Regeneration & Property Services.**
Avoidable damage to fleet arising from staff behaviour and non-compliance	**No Change**
Fail to ensure adequate Health & Safety across the service	**No Change**
Workforce planning	**No Change**
PDMS - New Environmental database	**No Change**
Environmental Enforcement	**This risk will be monitored for 12 months.**
Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	**No Change**
Regeneration & Property Services	
Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.	**No Change**
Fail to effectively manage property assets	**No Change**
Fail to optimise the income from Commercial properties	**No Change**
Fail to effectively manage the disposal of assets as part of asset disposal programme	**No Change**
Bromsgrove Leisure Contract	**No Change**

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Risk	Notes
ICT	
Failure to identify, maintain and test adequate disaster recovery arrangements	**No Change**
Members and Data protection Training	**No Change**
Planning	
Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	**No Change**
Housing	
Fail to effectively manage housing repairs and maintenance	**No Change**
Fail to manage impact of increasing homelessness cases and Recruitment challenges	**No Change**
Inability to collect rent and rent arrears	**No Change**
Fail to effectively management leaseholder properties	**No Change**
Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	**No Change**
Potential for an increase in right buys	**No Change**
Failure to Achieve CQC Compliance at St Davids House	**No Change**
Failure to complete annual gas Safety Inspections	**No Change**
Risk of legionella in housing with communal facilities	**No Change**
Housing Revenue Account	**No Change**
Failure to comply with Charter for Social Housing and the Regulator	**No Change**
Non-compliance with Asbestos Regulations	**No Change**

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Risk	Notes
Non-compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	**No Change**
Failure to comply with IEE regulations	**No Change**
Damp and Mould In Council Housing	
Passenger Lifts	**No Change**
Community Services	
Safeguarding - Inadequate child and adult protection systems/process.	**No Change**
Starting Well Partnership – underperformance of contract	**To be closed.**
Social Prescribing – underperformance of contract	**To be closed.**
HR	
Fail to monitor and respond to changes in employment legislation	**No Change**

Possible New Risks

Insurance for Property – Julie Heyes

Climate Change – Matthew Eccles

Actions

1. Sarah to look at the hierarchy of the service areas
2. Training to be arranged for members

Any Other Business

Nothing to report.

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Artificial Intelligence (AI) Policy, WhatsApp Policy and Cyber Meeting Notes

Relevant Portfolio Holders		Councillor Sue Baxter
Portfolio Holders Consulted		Yes
Relevant Assistant Director		Debra Goodall
Report Author: Mark Hanwell	Job Title: ICT Transformation Manager Contact: mark.hanwell@bromsgroveandredditch.gov.uk Contact Tel: 01527 881248	
Wards Affected		None
Ward Councillor(s) consulted		No
Relevant Council Priority		Governance
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Committee is asked to RESOLVE:

1) That the minutes of the previous Cyber Security Board meeting, attached at Appendix 1, be noted.

The Committee is asked to RECOMMEND to Cabinet Committee:

2) That Cabinet adopts the Artificial Intelligence (AI) Acceptable Use Policy (Appendix 2) as a formal policy document.

3) That Cabinet adopts the WhatsApp Policy (Appendix 3) as a formal policy document.

2. BACKGROUND

2.1 The Artificial Intelligence (AI) Acceptable Use Policy has been developed to ensure the ethical, transparent, and responsible use of AI technologies across Bromsgrove District Council. The policy outlines the principles, governance, and operational expectations for AI use, including transparency in automated decision-making, data protection, and human oversight. It also addresses the use of third-party tools and the importance of training and education for staff.

2.2 The WhatsApp policy has been developed to provide staff guidance in use of the social media application and sets out when it is, and is not, acceptable to use WhatsApp, and how to reduce the risks of using it.

2.3 The minutes of the previous Corporate Cyber Security Group are included to provide some background to what this group has recently been working on.

3. OPERATIONAL ISSUES

3.1 The AI policy mandates that all AI tools used within the Council must be approved and listed in the Information Asset Register. Automated decision-making must comply with UK GDPR and include human oversight. Staff must not input confidential or personal data into public AI tools. Procurement processes must include clauses prohibiting unauthorized AI use. Training programs will be developed to ensure staff understand responsible AI use.

3.2 The WhatsApp Policy states WhatsApp is only permitted for the narrow band of uses as set out in the document, where it helps to meet a particular need to communicate. In general, WhatsApp should be considered a last resort for work purposes, to be used when there is no viable alternative across the systems the councils provide for work purposes. WhatsApp is a social media application, and is therefore also covered by our Social Media Policy.

3.3 ICT will keep a list of permitted AI tools to be used by the Authority and will ensure these are upgraded where possible (some will be based solely in the cloud and upgraded by the vendor).

3.4 WhatsApp will not be updated by ICT where it is used on peoples own devices and will require the staff member to keep their apps up to date.

3.5 The minutes of the Cyber Security Meeting held on 14 October 2025 are attached at Appendix 1.

3.6 The Council held a Cyber Security Exercise on Wednesday 8 October 2025 to test the continuity plans. This was coordinated by Applied Resilience and there feedback from the exercise will be included in the next update.

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications.

5. LEGAL IMPLICATIONS

5.1 The AI policy aligns with UK GDPR and ICO guidance, particularly in relation to automated decision-making and data protection.

5.2 The WhatsApp policy tries to mitigate the potential for data breaches that could involve the authority being fined by the Information Commissioners Office.

6. OTHER - IMPLICATIONS

Local Government Reorganisation

6.1 There are no implications regarding Local Government Reorganisation or Devolution for either policy.

Relevant Council Priority

6.2 Both policies may help the council to deliver on all its priorities.

Climate Change Implications

6.3 The use of AI has raised questions about the amount of water used to cool cloud-based servers, however, the use of AI is now embedded into many computer systems and the AI policy sets out to ensure its correct usage and therefore limit any unnecessary use where possible.

6.4 There are no climate change implications for the use of WhatsApp.

Equalities and Diversity Implications

6.5 The policies attached apply to all staff.

7. RISK MANAGEMENT

7.1 Risks include misuse of AI tools, data breaches, and reputational damage. Mitigations include policy enforcement, training, DPIAs, and oversight mechanisms. The policy provides a framework to manage these risks effectively.

8. APPENDICES and BACKGROUND PAPERS

1. Minutes of last Corporate Cyber Security Group
2. AI Policy

3. WhatsApp Policy

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Sue Baxter, Deputy Leader and Cabinet Member for Finance	13/11/25
Financial Services	Debra Goodall, Assistant Director Finance and Customer Services	01/08/2025
Legal Services	Nicola Cummings, Deputy Monitoring Officer	10/10/2025
Policy Team (if equalities implications apply)	N/A	
Climate Change Team (if climate change implications apply)	N/A	

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Appendix 1

RBC/BDC CORPORATE CYBER SECURITY GROUP
NOTES OF MEETING HELD ON 14th OCTOBER AT 10.00 AM

Present: Bob Watson (Chair), Guy Revans, Nicky Parry, Ian Masterton, Mike Dunphy, Anne-Marie Harley, Phil Weston

In attendance: Susan Tasker (notes)

Apologies: John Leach, Mark H, Mark C, Darren B, Ruth, Sarah C

1. Notes & Matters Arising from Previous Meeting on March 2025

Agreed as a true record. Action Log updated.

2. Cyber Exercise – 8th October

The Exercise was discussed and how much value / learning it provided.

Ian suggested that IT set up some war games so test different plans. Sue said this probably needs to be in tandem with the phased / priorities discussed/on action plan.

Meeting considered key actions arising from the exercise to help start pulling together an action plan.

As part of piece of work to prioritise service, it would help to have clarity around response times ie lifeline 30 mins currently in BIA and what they would do.

Action: IT

Nicki mentioned insurance claims and implications of personal data and how it can be protected. Ian said there would be a lot of similar sensitive data given early help team, legal etc.

Action: IT/Info Mgmt

3. Reports to Audit & Governance

Reports will include AI Policy, Whatsapp Policy and notes of this meeting.

4. Technical

Nothing by exception.

5. Educational

Noted lessons from Cyber exercise and action plan coming out from it.

6. Communications

Cyber Exercise will be mentioned in John's message in Oracle, Mark's Cyber briefing and other routes.

7. AOB

None.

8. Date of Next Meeting

9th December

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Appendix 2

Staff Policy Document

AI Acceptable Use Policy

Version 1.1

Document Control

Organisation	Bromsgrove and Redditch Councils
Owner	ICT Transformation Manager
Protective Marking	Not protected
Review date	One year from last approval

Version History

Revision Date	Reviser	Version	Description of Revision
20250321	Mark Hanwell	0.1	Policy drafted
20250521	Julie Hemming-Smout	1.0	Policy finalised
20250724	Julie Hemming-Smout	1.1	Slight amendment after going to members

Document Approvals

Sponsor Approval	Name	Date	Version Approved

Policy Governance

The following table identifies who within the Council is Accountable, Responsible, Informed or Consulted with regards to this policy. The following definitions apply:

- **Responsible** – the person(s) responsible for developing and implementing the policy.
- **Accountable** – the person who has ultimate accountability and authority for the policy.
- **Consulted** – the person(s) or groups to be consulted prior to final policy implementation or amendment.
- **Informed** – the person(s) or groups to be informed after policy implementation or amendment.

Policy Compliance

1.1 Non-compliance with this policy could have a significant effect on the efficient operation of the Council and may result in financial penalties, damage to our reputation, failure to meet our legal obligations, and an inability to provide necessary services to our customers. Contravening or failing to act within the spirit of the policy, might be seen as a breach of discipline and the person you may be subject to disciplinary procedure.

1.2 If you do not understand the implications of this policy, seek advice from your line manager who, if concerned, may contact ICT for further advice.

Acknowledgement

1.3 This policy has been developed based on guidance prepared by Socitm (UK):

- www.socitm.net

1.4 Disclosure: Sections of this policy were generated with the assistance of an Artificial Intelligence (AI) based system to augment the effort. AI generated content has been reviewed by the author for accuracy and edited/revised where necessary. The author takes responsibility for this content.

Document Distribution

This document will be distributed via NetConsent to all Council employees, all temporary staff and all contractors. For those without access to NetConsent the Policy can be signed and returned to the Information Management Team.

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1. Introduction

1.1 Artificial Intelligence (AI) is several different technologies working together to enable machines to sense, comprehend, act, and learn with human-like levels of intelligence. AI is a transformative technology, which is already revolutionising many areas of our lives. Whether we know it or not, we all interact with AI every day - whether it's in our social media feeds and smart speakers, or on our online banking. AI, and the data that fuels our algorithms, help protect us from fraud and diagnose serious illness and this technology is evolving every day.

1.2 Generative Artificial Intelligence (GenAI), such as ChatGPT and CoPilot, augments human capabilities and possibilities. Based on public data-trained models, GenAI algorithms can generate new and creative information/data like the original content produced by humans. GenAI is a type of AI that, as this name suggests, generates new content. This contrasts with other types of AI, like discriminative AI, which focuses on classifying or identifying content that is based on pre-existing data.

1.3 AI-based technologies, can now be used to create pictures, write papers, write application code, draft articles and social media posts, and generate videos and audio recordings simply by writing a few sentences. However, while these capabilities help accelerate the creation of knowledge-based content, there are risks. For example, AI-generated results could deceive or mislead readers because of bias, data quality issues, malicious intent, lack of diverse thoughts, and a simple lack of ethics in disclosing the source of the content. Therefore, while the results may be excellent, the information generated must be weighted cautiously, as AI output is based on available data at the time and how it was trained. This is no different than information received from a human and should be treated as another source of information that should be weighed in with other viewpoints and sources.

1.4 AI has the potential to transform Bromsgrove District and Redditch Borough Councils (the Council) by improving efficiency, increasing citizen engagement, and providing data-driven insights.

1.5 This policy is designed to establish guidelines and best practices for the responsible and ethical use of AI within the Council. It ensures that our employees are using AI systems and platforms in a manner that aligns with the authority's values, adheres to legal and regulatory standards, the Council's existing information governance and security policies, and promotes the safety and well-being of our stakeholders.

2. Policy Statement

2.1 Use of AI must be in a manner that is responsible and ethical, avoiding any actions that could harm others, violate privacy, or facilitate malicious activities. Use of AI should promote fairness and avoids bias to prevent discrimination and promote equal treatment and be in such a way as to contribute positively to the Council's goals and values.

2.2 Users may use AI for work-related purposes subject to adherence to the following guidelines. This includes tasks such as generating text or content for reports, emails, presentations, images and communications.

2.3 Particular attention should be given to transparency, governance, vendor

practices, copyright, accuracy, confidentiality, disclosure and integration with other tools.

3. Scope

3.1 This policy applies to all employees, elected members, contractors, agents and representatives and temporary staff working for or on behalf of the Council, hereinafter referred to as “users”.

3.2 This policy applies to all users with access to AI, whether through Council-owned devices or BYOD (bring your own device) in pursuit of Council activities.

3.3 There are multiple AI systems available to purchase. However, ICT maintain a list of approved systems. To receive an up-to-date list, please contact ICT.

4. Transparency and Accountability

4.1 Users must be transparent about the use of AI in their work, ensuring that stakeholders are aware of the technology's involvement in decision-making processes.

4.2 **Information Asset Register** (IAR): The IAR is a list of personal and non-personal information assets held by the Council. Where systems, services and platforms utilise AI technology, this should be included in the IAR, for AI governance and compliance efforts.

4.3 **Data Protection Impact Assessments** (DPIA)s: The use of AI to process personal data will, in the vast majority of cases, likely result in a high risk to individuals’ rights and freedoms, and will therefore trigger the legal requirement for the undertaking or updating of a DPIA. This will be assessed on a case-by-case basis. If the result of an assessment indicates residual high risk to individuals that cannot be sufficiently reduced, the Council must consult with the Information Commissioner’s Office (ICO) prior to starting the processing.

4.4 **Privacy Notices:** A privacy notice should provide clear and transparent information to individuals about how personal data is collected, used or otherwise processed, and to what extent personal data are, or will be, processed. Where systems, services and platforms utilise AI technology, this should be disclosed in the relevant privacy notice.

4.5 **Publication Scheme**: The aim of a publication scheme is to foster openness in government and increase transparency and improves public access to the information the Council holds, this includes AI systems.

4.6 **Content Disclosure:** For content produced solely via AI, (for example CoPilot and ChatGPT), disclosures are critical for people to know and understand how to interpret, analyse, and respond to the information they consume. Employees are responsible for the outcomes generated by AI systems and should be prepared to explain and justify those outcomes.

For example, here is a high level disclosure that could be used and associated with written content so the person consuming the content knows how to best handle the information they are consuming:

Disclosure: The following content was generated entirely by an Artificial Intelligence (AI) based system based on specific requests asked of the AI system. AI generated content has been reviewed by the author for accuracy and edited/revised where necessary. The author takes responsibility for this content.

5. Automated Decision Making

5.1 AI can make decisions more quickly and accurately than humans by automating certain processes. The right to explanation and human review of algorithmic decision-making is an important part of the UK GDPR.

5.2 Legally you can only carry out this type of processing if you can rely on one of the three exceptions:

a. Explicit consent of the individual (Article 6(1)(a) of Regulation (EU) 2016/679 legislation - this must be a positive indication (and therefore there must be an alternative option)

b. Performance of a contract with the individual (Article 6(1)(b) of Regulation (EU) 2016/679 - e.g. credit checks or recruitment shortlisting

c. Authorised by law i.e. there is a law enabling us to make automatic decisions about whatever it is we're trying to decide.

Or there is human involvement in the decision making i.e. the decision is reviewed by a human to sense check (please consult with Information Management if processing special category data).

5.3 Automated decision-making should not be used without prior information being provided to the user (e.g. through use of a Privacy Notice). A detailed disclosure is therefore required that alerts consumers to the fact that they are being subjected to an automated decision, explains the basic logic the algorithm employs and lists the personal data that flow into the automated decision-making process and explains any right to appeal. Examples of where this disclosure should be provided include:

a. Online forms
b. Online portals
c. Applications

6. Procurement

6.1 A question(s) of AI must be included in the Invitation to Tender (ITT)

6.2 A clause will be included in the contract to state we prohibit suppliers from using artificial intelligence technologies without express consent.

7. Third-party Services

7.1 When utilising third-party AI services, systems or platforms, users must ensure that the providers adhere to the same ethical standards and legal requirements as outlined in this policy.

Staff should not participate in meetings where AI tools are in use, for example ReadAI and Otter. Those who are attending external meetings hosted by someone else, should ask whether AI tools are in use. If they are, you should ask the host to have the tool switched off for the duration of the meeting. If they decline, remove yourself from the meeting, or if this is not an option, ensure you do not discuss anything confidential and that you do not mind sharing with unknown companies/agencies in any country.

Some of these tools are not UK GDPR compliant and have not been approved by the Cyber Security Board or the System & Data Group.

The only approved tool currently, is the transcription and recording option provided by MS Teams.

7.2 Any use of AI technology in pursuit of Council activities should be done with full acknowledgement of the policies, practices, terms and conditions of developers and vendors.

7.3 Vendors will be required to inform the council of all use of AI technology in their systems and services.

8. Confidentiality and Data Protection

8.1 Employees must adhere to the Council's Information security policies and Systems & Data Guidelines when using AI systems. They must ensure that any personal or sensitive data used by AI systems is anonymised and stored securely.

8.2 Confidential and personal information must not be entered into an AI tool such as ChatGPT, where information may enter the public domain. Users must follow all applicable data privacy laws and organisational policies when using AI. If a user has any doubt about the confidentiality of information, they should not use AI.

8.3 Users should consult the ICO's Guidance on AI and Data Protection and use the ICO's AI and DP Risk Toolkit which provides further practical support to organisations to reduce the risks to individuals' rights and freedoms caused by AI systems.

9. Copyright

9.1 Users must adhere to copyright laws when utilising AI. It is prohibited to use AI to generate content that infringes upon the intellectual property rights of others, including but not limited to copyrighted material. If a user is unsure whether a particular use of AI constitutes copyright infringement, they should contact the legal advisor or the Information Management Team before using AI.

10. Ethical Use

10.1 AI must be used ethically and in compliance with all applicable legislation, regulations and organisational policies. Users must not use AI to generate content that is discriminatory, offensive, or inappropriate. If there are any doubts about the appropriateness of using AI in a particular situation, users should consult with their supervisor or ICT.

11. Equality, Bias and Fairness

11.1 Users must actively work to identify and mitigate biases in AI systems. They should ensure that these systems are fair, inclusive, and do not discriminate against any individuals or groups.

11.2 An Equality Impact Assessment (Equality and Diversity - Equality Impact Assessments - All Documents) must be completed to ensure, and be able to show, that the use of AI systems will not result in discrimination that:

- causes an individual subject to the decision to be treated worse than someone else because of one of these protected characteristics; or
- results in a worse impact on someone with a protected characteristic than someone without one.

12. Human-AI Collaboration

12.1 Users should recognise the limitations of AI and always use their judgment when interpreting and acting on AI-generated recommendations. AI systems should be used as a tool to augment human decision-making, not replace it.

12.2 A human review of decisions made by AI systems can be an important step to validate the decision proposed by the AI system.

13. Integration with other tools

13.1 API (Application Programming interfaces) and plugin tools enable access to AI and extended functionality for other services to improve automation and productivity outputs. Users should follow OpenAI's Safety Best Practices guidelines:

- Adversarial testing
- Human in the loop (HITL)
- Prompt engineering
- "Know your customer" (KYC)

- Constrain user input and limit output tokens
- Allow users to report issues
- Understand and communicate limitations
- End-user IDs.

13.2 API and plugin tools must be rigorously tested for:

- Moderation – to ensure the model properly handles hate, discriminatory, threatening, etc. inputs appropriately.
- Factual responses – provide a ground of truth for the API and review responses accordingly.

14. Ensuring data quality for AI and checking outputs

14.1 AI is dependent on good quality data and accurate algorithms. It is important to implement auditing of the datasets used by AI, both for accuracy and consistency, by reviewing and spot-checking of the results generated.

15. Accuracy

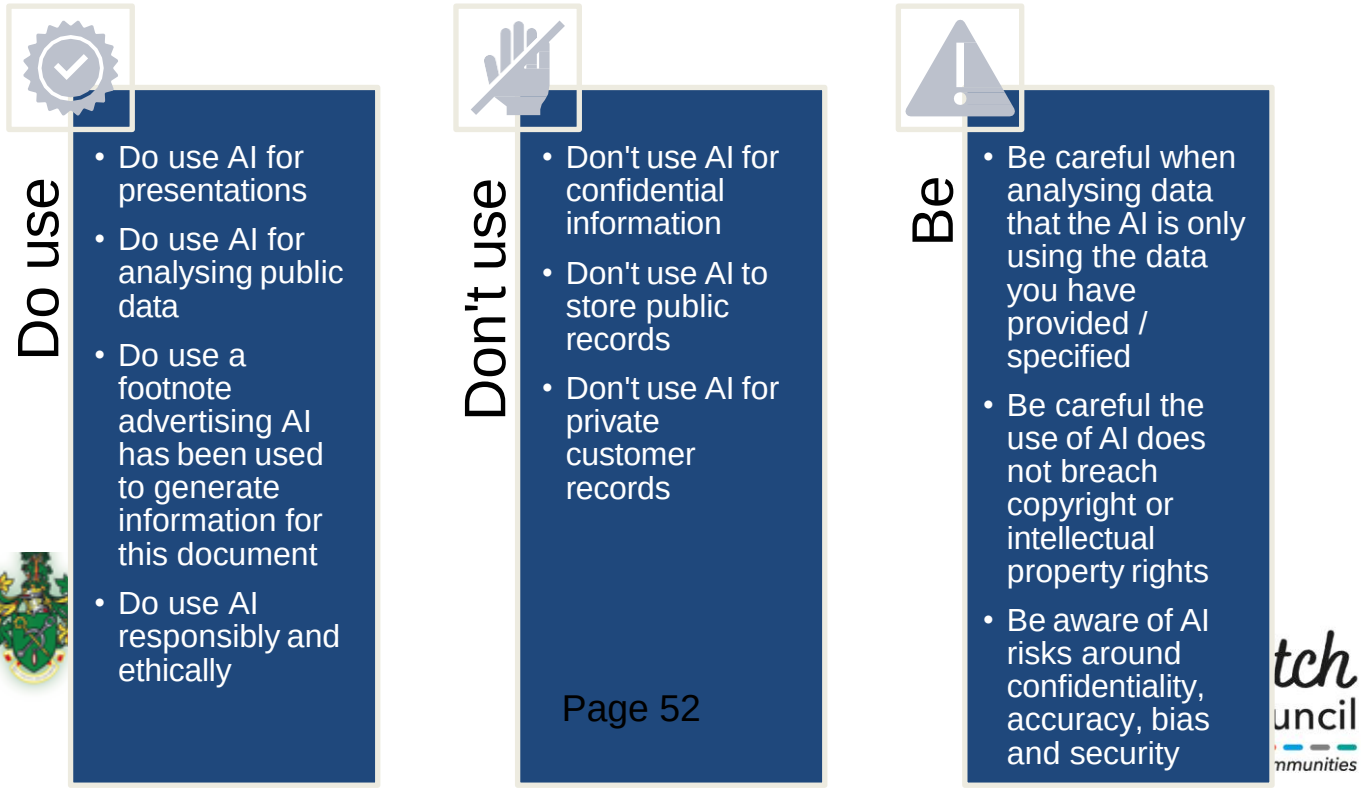
15.1 All information generated by AI must be reviewed and edited for accuracy prior to use. Users of AI are responsible for reviewing output and are accountable for ensuring the accuracy of AI generated output before use/release. If a user has any doubt about the accuracy of information generated by AI, they should not use AI.

16. Training and Education

16.1 Users who use AI systems should receive appropriate training on how to use them responsibly and effectively. They should also stay informed about advances in AI technology and potential ethical concerns.

17. Guidelines for content produced by AI

17.1 Content solely produced via AI, such as ChatGPT and CoPilot, must be identified and disclosed as containing AI generated information.



18. Risks – link risks and DPIA together above

18.1 **Legal compliance**

Data entered into AI may enter the public domain. This can release non-public information and breach regulatory requirements, customer or vendor contracts, or compromise intellectual property. Any release of private/personal information without the authorisation of the information's owner could result in a breach of the UK GDPR and the amended version of the Data Protection Act 2018. Use of AI to compile content may also infringe on regulations for the protection of intellectual property rights including the Copyright Act 1956. Users should ensure that their use of any AI complies with all applicable laws and regulations and with Council policies.

18.2 **Bias and discrimination**

AI may make use of and generate biased, discriminatory or offensive content. Users should use AI responsibly and ethically, in compliance with Council policies and applicable laws and regulations.

18.3 **Security**

AI may store sensitive data and information, which could be at risk of being breached or hacked. The Council must assess technical protections and security certification of AI before use. If a user has any doubt about the security of information input into AI, they should not use AI.

18.4 **Data sovereignty and protection**

While an AI platform may be hosted internationally, information created or collected in the United Kingdom of Great Britain and Northern Ireland (UK), under data sovereignty rules, is still under jurisdiction of UK laws. The reverse also applies. If information is sourced from AI hosted overseas for use in the UK, the laws of the source country regarding its use and access may apply. AI service providers should be assessed for data sovereignty practice by any organisation wishing to use their AI.

Appendix A: Example Staff Privacy Notice AI Statement

Purpose for processing

The Council's Human Resources (HR) and Organisational Development (OD) Service collects and processes personal data relating to our employees to manage our working relationship with you both directly and through our commissioned private sector processors.

This includes employment law and standards, administration of employee benefits, and all aspects of recruitment and employee management, staff engagement, feedback and compliance. We are committed to being transparent about how we collect and use your personal data and to meeting our obligations under data protection legislation.

These processing activities undertaken include:

- manage the HR and payroll functions so you receive correct remuneration and benefits and in order to administer your HR employment records
- monitoring and reporting of workforce statistics
- compliance with regulatory and inspection regimes (e.g. Local Government Ombudsman), including providing statistics
- prevention and detection of crime
- protection of the public funds we administer, including prevention and detection of fraud
- monitoring and reporting of access to and use of Council owned/rented buildings and car parks and ensure compliance to associated policies

We may also use automated decision-making or profiling techniques, including AI algorithms, to assess certain aspects of your employment, such as performance evaluations or training needs. These automated processes are designed to support fair and objective decision-making.

Your information rights

You are entitled to a copy, or a description, of the personal data we hold that relates to you, subject to lawful restrictions. Please go to our Make a Data Protection Request page to find out how to make a request or contact the Information Management Team information.management@bromsgroveandredditch.gov.uk

You may also be entitled to have incorrect or incomplete data amended, object to the processing (in some circumstances), the right to obtain human intervention with regards to automated processing (including profiling), and the restriction or erasure of your personal data where the data is no longer necessary for the purposes of processing depending on the service and legal basis. Please contact Information Management to exercise these Information Rights.

Please see our overarching Privacy Notice for further contact details and if you have a complaint about your information rights.

Appendix B: Example transparency information about use of AI

This information is to be included on the website and referenced in the Publication Scheme.

As part of our commitment to transparency and openness, we provide information about our systems that utilise artificial intelligence (AI). This information aims to promote understanding and awareness of the AI systems we employ, their purpose, and their potential impact.

Purpose of AI Systems

Our AI systems are designed to enhance and automate various processes within our organisation. These systems utilise advanced algorithms and machine learning techniques to analyse data, make predictions, or assist in decision-making.

Categories of AI Systems

1. Intelligent Process Automation: These AI systems automate repetitive and rule-based tasks, improving efficiency and reducing manual effort across various departments.
2. Data Analytics and Insights: These AI systems analyse large volumes of data to derive meaningful insights, identify patterns, and support data-driven decision-making.
3. Natural Language Processing (NLP): These AI systems process and understand human language, enabling intelligent text analysis, sentiment analysis, and language translation.
4. Image and Video Analysis: These AI systems employ computer vision techniques to analyse images and videos, facilitating object recognition, facial recognition, and content classification.
5. Recommendation Systems: These AI systems utilise machine learning algorithms to provide personalised recommendations to users based on their preferences and behaviour.

Impact of use of AI systems

1. General Description: A high-level overview of the purpose, functionalities, and intended use of each AI system category mentioned above.
2. Data Sources and Processing: Information about the data sources used by AI systems, data processing methodologies, and data security measures implemented to protect sensitive information.
3. Ethical Considerations: Explanation of the ethical considerations taken into account during the development and deployment of AI systems, including fairness, bias mitigation, and privacy protection.
4. Human Oversight and Intervention: Details on how human oversight is integrated into the AI systems, including validation, monitoring, and intervention protocols to ensure system performance and address potential risks.

5. Impact Assessment: Reports or summaries assessing the impact of AI systems on various aspects such as productivity, efficiency, quality, and potential societal implications.

Disclaimer

The information provided is subject to change and is accurate to the best of our knowledge at the time of publication. We reserve the right to update or modify the information as necessary.

Appendix C: Example Privacy Notice text for systems using automated decision-making

This information is required to be inserted at the start of any process that includes automated decision-making affecting individuals that is not always reviewed or checked by a human:

a. ensure that this text is added at the front of any system using automated decision making (this could be done by a box that expands when the user hovers over it - privacy info on demand) **and**

b. add in a consent box at the end of this text for the individual to tick to say they agree **and**

c. understand what the alternative option is for individuals who don't want to rely on an automated decision - this could be to make sure that the processing performed without consent is subject to a human review before finalising the decision.

The appeal right for someone to review the fully automated decision will still be needed regardless of the option to go down the fully-automated route.

Automated Decision-Making

Certain aspects of the decision-making process are automated, based on algorithms and artificial intelligence technologies. The following information is intended to provide transparency about the process and ensure you have an understanding of how the automated decision is made.

1. Purpose: The automated decision-making process is employed to [*state the purpose of the decision-making process, e.g., assess applications, determine eligibility for a service, etc*.].
2. Logic: The algorithm utilises [*describe the basic logic or factors considered by the algorithm, such as historical data, statistical analysis, or specific criteria*] to evaluate the information provided and generate a decision.
3. Personal Data: The following personal data are used in the automated decision-making process: [*list the types of personal data that flow into the decision-making process, such as name, age, address, employment history, credit score, etc*.].
4. Data Sources: The personal data used in the decision-making process may be obtained from [*describe the sources of data, such as user-provided information, public records, credit bureaus, etc*.].
5. Accuracy and Reliability: We take utmost care to ensure that the data used in the automated decision-making process is accurate and reliable. We regularly update our data sources and employ data quality measures to minimise errors.

☐ I understand part of this process will include automated decision making and consent to this.

☐ I understand that I have the right to appeal or object to the decision, and the right to obtain human intervention in the decision.

Right to Appeal

Details of the Right to Appeal should be provided on a webpage providing information on our use of AI/automated decision-making as it will be the same for all systems. A hyperlink should be provided to the text from the declaration statement above.

1. Review Mechanism: We understand the importance of fair and transparent decision-making. If you disagree with the outcome of the automated decision, you have the right to request a review or reconsideration of the decision.
2. Appeal Process: To exercise your right to appeal, please [*provide instructions on how consumers can initiate the appeal process, including any contact details, forms, or procedures*].
3. Human Intervention: Our appeal process involves human intervention to reassess the decision and take into account any additional information or circumstances that may have an impact on the outcome.

Please note that the right to appeal is subject to [*state any limitations or conditions, such as specific timeframes for initiating an appeal, eligibility criteria, or any applicable legal requirements*].

We are committed to ensuring fairness, transparency, and accountability in our automated decision-making processes. If you have any questions, concerns, or require further information about the automated decision-making process or your right to appeal, please contact [*provide contact details for further assistance*]."

Please customise this statement to fit your specific context, taking into account any legal requirements and ensuring that the information provided accurately the automated decision-making processes and appeals mechanism.

Appendix D: Example ITT / SQ Question regarding use of AI

Example questions for use in the Invitation to Tender (ITT) / Selection Questionnaire (SQ) regarding the use of AI in products and services.

1. AI Utilisation: Does your application or solution incorporate any artificial intelligence (AI) technologies or features? Please provide details regarding the specific AI functionalities, algorithms, or techniques used within your application.
2. AI Capabilities and Benefits: How does the integration of AI within your application enhance its capabilities and deliver value to users? Please describe the specific benefits or advantages that AI brings to your solution, such as improved accuracy, automation, predictive capabilities, personalised experiences, or any other relevant aspects.
3. Data Requirements: Specify the data inputs required for your AI-powered functionalities to operate effectively. Describe the nature of the data sources, including data formats, volume, and any dependencies or prerequisites for successful AI processing.
4. Training and Model Updates: Explain how the AI models or algorithms within your application are trained and updated over time. Provide information on the frequency and process of model updates or retraining to ensure optimal performance and accuracy. Clarify whether user data is utilised for ongoing model improvement and outline any privacy considerations related to this aspect.
5. Explainability and Transparency: Detail the steps taken to ensure transparency and explainability in the AI-driven decisions or outcomes generated by your application. Describe how users can understand the rationale behind AI recommendations, predictions, or actions, and any mechanisms in place to provide relevant explanations or context.
6. Ethical Considerations: Outline the ethical considerations and safeguards implemented within your application's AI functionalities. Discuss how your solution addresses potential biases, fairness, privacy, or any other ethical challenges associated with AI utilisation. Provide details on any third-party audits, certifications, or guidelines adhered to in ensuring ethical AI practices.
7. Integration and Compatibility: Specify the compatibility of your application's AI features with existing systems, infrastructure, or platforms within our organisation. Describe any potential integration requirements, dependencies, or limitations that need to be considered for seamless adoption and usage.
8. Support and Maintenance: Describe the support and maintenance services provided for the AI components of your application. Outline the availability of technical assistance, updates, bug fixes, and any ongoing support to ensure the smooth operation and performance of the AI features.

Note: The above question serves as a starting point to ascertain whether the tendered applications incorporate AI technologies. It should be customised to suit the specific requirements and objectives of the tender, aligning with the desired information about the AI

utilisation within the applications being evaluated.

Appendix E: Example clause for use in contracts regarding use of AI in products and services

Example clause for use in the contracts:

"Prohibition of Supplier's Use of Artificial Intelligence Technologies without Express Consent

1. The supplier acknowledges and agrees that, without obtaining the express written consent of the Council, they shall not use any artificial intelligence (AI) technologies within the products, services, or solutions delivered under this contract.
2. "Artificial intelligence technologies" refer to any algorithms, machine learning models, or automated decision-making systems that utilise AI methodologies to analyse data, make predictions, automate tasks, or perform other AI-related functionalities.
3. The supplier shall not deploy or integrate AI technologies within their deliverables or services without the explicit written permission of the Council. This includes, but is not limited to, incorporating AI into software applications, utilising AI-powered analytics, or employing AI- driven automation.
4. If the supplier intends to use AI technologies within the scope of this contract, they must submit a formal request to the Council detailing the purpose, functionality, data requirements, and potential impact of the proposed AI utilisation. The Council reserves the right to review, evaluate, and grant or deny permission for such AI usage at its sole discretion.
5. Any unauthorised use of AI technologies by the supplier, including accidental or incidental use, without the express consent of the Council shall be deemed a material breach of this contract.
6. In the event that the supplier receives consent for the use of AI technologies, they shall be responsible for ensuring compliance with all applicable laws, regulations, and ethical considerations governing the use of AI, including but not limited to data protection, privacy, fairness, and transparency.
7. The Council reserves the right to monitor and audit the supplier's use of AI technologies to verify compliance with the terms and conditions outlined in this clause. The supplier shall cooperate fully with any such monitoring or auditing activities.
8. This clause shall survive the termination or expiration of the contract and shall remain in effect until otherwise agreed upon in writing by the Council.

By entering into this contract, the supplier acknowledges that they have read, understood, and agreed to comply with the terms and conditions outlined in this clause regarding the use of artificial intelligence technologies without express consent."

Please note that this example clause should be reviewed and customised to align with the

specific requirements and legal framework of the Council. It is advisable to seek legal advice to ensure compliance with relevant laws and regulations related to the use of AI technologies.

Appendix F: Areas that training on the use of AI could cover

1. **Understanding AI Fundamentals**
   Users should receive training on the fundamental concepts of artificial intelligence, including machine learning, algorithms, and automated decision-making. This training should provide an overview of how AI systems work, their limitations, and potential biases that may arise.
2. **Responsible Use of AI**
   Training should emphasise the importance of using AI systems responsibly and ethically. Users should be educated on the potential impact of their actions when utilising AI technologies and be aware of the ethical considerations involved, such as fairness, transparency, privacy, and bias mitigation.
3. **Effective Utilisation of AI Systems**
   Users should be trained on how to effectively utilise AI systems to achieve their intended goals. This training may include instruction on how to input data correctly, interpret AI-generated outputs, and leverage the capabilities of the AI system to improve decision-making or automate tasks.
4. **Evaluating AI Results**
   Users should learn how to critically evaluate the outputs and results generated by AI systems. Training should cover methods to verify the accuracy and reliability of AI-generated information, validate predictions or recommendations, and identify potential errors or inconsistencies.
5. **Staying Informed on AI Advances**
   Users should be encouraged to stay up-to-date with advancements in AI technology. This can be achieved through ongoing training, webinars, conferences, or access to educational resources that highlight the latest developments, best practices, and emerging ethical concerns related to AI.
6. **Ethical Considerations and Social Impact**
   Training should address the broader societal impact of AI and the ethical considerations associated with its use. Users should be educated about the potential consequences of biased or discriminatory AI systems and the importance of promoting fairness, inclusivity, and accountability in AI applications.
7. **Privacy and Data Protection**
   Users should receive training on the privacy and data protection aspects related to AI systems. This includes understanding the types of personal data being processed, data storage and security measures, and compliance with relevant privacy regulations. Users should also be aware of their responsibilities in handling sensitive data when interacting with AI systems.
8. **Reporting and Feedback**
   Users should be educated on how to report issues or concerns related to AI systems. Training should provide clear channels for users to provide feedback, report biases, or highlight potential ethical issues they encounter while using AI systems.

It is essential to provide periodic refresher training sessions and resources to ensure that users stay well-informed about responsible and effective AI system usage. The training

program should be tailored to the specific AI systems in use and the needs of the user community.

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Appendix 3

WhatsApp Policy Draft v0.2

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WhatsApp draft v0.2

Introduction and aims

This guidance aims to:

1. Facilitate efficient and modern day-to-day communication
2. Manage risks to the security of information
3. Aid compliance with the principles of record-keeping, accountability and transparency

Adopting evolving modern technology means we can support our operation to stay effective over time. As a result, the councils have approved WhatsApp for use under the specific circumstances as set out in this document.

This guidance sets out when it is and is not acceptable to use WhatsApp, and how to reduce the risks of using it. Staff must follow this guidance.

WhatsApp is the market leading messaging app people use to share information. Any channel that allows us to communicate effectively offers significant opportunities. The risks to mitigate are also significant, as inappropriate or in non-compliant use could lead to:

- **Legal risks** of penalties to staff and the councils
- **Reputational risks** for the councils
- **Data breaches**.

For these reasons, WhatsApp is only permitted for the narrow band of uses as set out in this document, where it helps to meet a particular need to communicate. In general, WhatsApp should be considered a last resort for work purposes, to be used when there is no viable alternative across the systems the councils provide for work purposes.

Please remember that WhatsApp is a social media application, and is therefore also covered by our Social Media Policy.

Any deviation from this guidance must be backed up by a risk assessment with a strong justification or rationale.

Summary

You can use WhatsApp at work for non sensitive information only and with care. See below for a guide to what is non sensitive information.

When talking to	About	Use WhatsApp
Internal colleagues	Sensitive information	Never
	Non-sensitive information	With care
Official partners	Sensitive information	Never
	Non-sensitive information	With care
Customers	Sensitive information	Never
	Non-sensitive information	Never
The public	Sensitive information	Never
	Non-sensitive information	Via corporate Communications

‘With care’ means with due care, attention, and forethought to the contents of your conversation, particularly the risk of committing a data breach by including sensitive information including through unexpected data in the background of shared photos.

When information is ‘sensitive’

As council employees, our data at work is automatically classified under government security rules as OFFICIAL. This means you can never just share work data, and rules will always apply to it. However under OFFICIAL there are two levels of ‘sensitivity’: OFFICIAL SENSITIVE and OFFICIAL NON SENSITIVE.

Here are examples:

OFFICIAL SENSITIVE	OFFICIAL NON SENSITIVE
Anything with recordkeeping requirements including under the GDPR and FOI, i.e. most data and normal business of the council.	Logistical communications, office admin, service info (e.g times, locations), info for public release (e.g news, photos, PR), promotional

E.g. customer service interactions, personal data, aggregated data, internal council data, decisions, transactions.	info (e.g. adverts, offers), dataless information.

These lists are not exhaustive.

In general, you must treat all council information as sensitive unless and until you exercise your professional judgement that it is non sensitive. You should expect to be able to defend your judgement on this if challenged. If in doubt, always treat information as sensitive.

Ask yourself

1. Do I really have to use WhatsApp for this? Is there any way I can avoid it?
2. Is there already a corporate system I could use for this, like Email or Teams?
3. Is this data definitely non-sensitive?
4. Would I be happy for this to be made public?

Examples

Example A: team group chat

WhatsApp can be helpful to share information within a team, for example, to alert to a change in venue for a meeting, arrange cover if someone is running late / off work / at late notice, or alert a team to information shared on another channel that they need to be aware of. All this kind of information would be non sensitive, and therefore permitted with care.

Such a chat must not however be used for any personal or confidential information relating to staff, customers, or the business of the council – all of which would be sensitive information, and never permitted. That business would have to be conducted via council systems.

Example B: "I've sent you an email that needs action"

WhatsApp can be helpful to alert someone, for example a partner, councillor, or someone you know is out in the field, to urgent information you have sent via another channel.

For example, you might need to say "I've sent you an important work email that needs attention by midday". That is non sensitive information. The sensitive contents of that email, however, would never be OK to share on WhatsApp.

Remember

- You are subject to work policies at work, including the Code of Conduct and Social Media Policy.
- If you become aware of misconduct at work, it is your responsibility to report it.
- Remember to remove leavers from your team chats, as they have become external customers!
- Stay cyber savvy and be vigilant to the ever-present threat of scams and phishing.
- WhatsApp is not secure: once sent, content is out in the public domain and cannot be removed and there are no deletion guarantees anywhere.

- Even with ‘disappearing messages’ turned on – i.e. when messages are removed from the sender and receiver’s phones after a certain period – you have no way to know what has happened to the data once you press send.
- WhatsApp’s operator, Meta, stores data on the sender and receiver: their location, phone numbers, contact lists. Meta cannot see or access the content of messages.

If you accidentally share sensitive data on WhatsApp

If you think you have accidentally shared sensitive information on WhatsApp, it could be a data breach.

1. Don’t panic
2. Delete the suspect message(s)
3. Delete any related media from your phone
4. Delete any cloud backups of that media your phone may have performed
5. Inform your line manager that you have done the above and what happened, so our processes around a potential data breach can be followed.

Photos via WhatsApp

In general, you should not include anything of a confidential or sensitive nature in shared images on WhatsApp.

Images of people are sensitive by default. They contain personal data with significant implications, including under the GDPR. There is a simple process to achieve compliance for sharing images. That includes completing an online photo consent form at www.bromsgrove.gov.uk/photo or www.redditchbc.gov.uk/photo. Contact Communications for further advice on this.

Using your own device? Know the risk

If you are using your own phone for WhatsApp, for example if you don’t have a compatible work phone, understand that any device you use for sensitive council data could become subject to Freedom of Information (FOI) requests.

Calls and video calls via WhatsApp

In general, avoid using these. But in an emergency when there is no mobile signal but there is Wi-Fi, you can use this feature. Be aware of the usual risks of data breaches around audio and video calls (e.g. having sensitive data overheard by people who should not have access to it, or having sensitive data shared on screen or visible in the background),

Emergency Response: WhatsApp usage

The following has been provided by Applied Resilience and applies specifically to the use of an Emergency Response WhatsApp group.

Purpose

If action is required in a civil emergency. a message will be posted in the Emergency Response WhatsApp group. This allows the initial rapid notification of users in the group. Following the notification, the relevant group members will then be contacted by Applied Resilience via phone to ensure notification has been received. Ongoing general updates may be posted on the group in line with the guidance below.

Information that can be shared

The sharing of non-identifying, non-sensitive information can be shared within the group relating to the emergency. The primary purpose of the group is for initial notification and general updates.

Information that cannot be shared

Any identifying or sensitive information cannot be shared in this group. This includes personal details of affected residents. Adherence to GDPR policy must take place. If sensitive data needs to be shared, this should be done either via the phone or through email.

Data retention

Data in the group is retained for # years after which point it is deleted. The responsibility will be on the message sender to delete messages after the # year time limit is reached. If there are any changes to this timeframe you will be informed by one of the group administrators. If an incident is going to enquiry, then messages will be retained for the duration of the enquiry.

Group administration

The group administration will be undertaken by NAMED OFFICERS and Applied Resilience. If you no longer require access to the group for reasons such as, leaving the council, change in job role, or no longer forming a part of the response, please contact one of the above to be removed unless you have already been removed. Contact details will be updated upon the review of the Emergency Contacts Directory, however, if you have a change in details, please contact one of the administrators.

If you have any questions or queries, please contact the group administrators listed above.

Sources

1. West Mercia Police - internal WhatsApp policy
2. Cabinet Office Cabinet Office guidance for the use of Non Corporate Communications Channels (March 2023)
3. Cabinet Office Guidance 1.1: Working at OFFICIAL (Aug 2024)
4. West Mercia LRF - Rebecca Pritchett
5. Applied Resilience - Nick Moon and Robin Churchill

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INTERNAL AUDIT PROGRESS REPORT 2025/26

Relevant Portfolio Holder	Councillor S. J. Baxter
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Goodall, S151 Officer
Report Author	Job Title: Head of Internal Audit Shared Service Worcestershire Internal Audit Shared Service Contact email: chris.green@worcester.gov.uk Contact Tel: 07542 667712
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Good Governance & Risk Management underpins all the Strategic Purposes.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATION

1.1 **The Audit, Standards and Governance Committee notes the report.**

2. BACKGROUND

2.1 The purpose of this report is to provide an update of Internal Audit's progress towards meeting its objectives in the audit plan for 2025/26 as approved by the Audit Standards and Governance Committee on 14th July 2025.

2.2 The Council has a legal duty to maintain an adequate and effective Internal Audit service. The primary role of Internal Audit is to provide independent assurance that the Council has put in place appropriately designed internal controls to ensure that:

- The Council's assets and interests are safeguarded;
- Reliable records are maintained;
- Council policies, procedures and directives are adhered to; and
- Services are delivered in an efficient, effective and economic manner

2.3 The Internal Audit plan for 2025/26 was approved by the Audit, Standards and Governance Committee on 14th July 2025. Progress against delivery of that plan is set out at Appendix 1. There are sufficient resources in place to deliver the rest of the plan in time for the annual Internal Audit opinion.

2.4 The Global Internal Audit Standards require that any significant changes to the internal audit plan must be approved by the Audit Committee. It is also good practice to continually review the audit plan in light of emerging issues, to ensure that the work of internal audit adds maximum value by proactively responding to and aligning its work with the most significant risks facing the organisation. There are no proposed amendments to the internal audit plan at this time.

3. Financial Implications

3.1 There are no direct financial implications arising out of this report.

4. Legal Implications

4.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2024 to "maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control".

To aid compliance with the regulation, the Global Internal Audit Standards details that "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes".

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

5.1 Good governance along with risk management underpin all the Corporate strategic purposes. This report provides an independent assurance over certain aspects of the Council's operations.

Climate Change Implications

5.2 There are no climate change implications arising from this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 There are no implications arising out of this report.

Operational Implications

6.2 There are no new operational implications arising from this report.

7. RISK MANAGEMENT

The main risks associated with the details included in this report are to:

- Insufficiently complete the planned programme of audit work within the financial year leading to an inability to produce an annual opinion; and,
- Continuous provision of an internal audit service is not maintained.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 ~ Internal Audit Progress Report

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Bromsgrove District Council
www.bromsgrove.gov.uk

providing assurance, adding value
WORCESTERSHIRE
Internal Audit Shared Service

INTERNAL AUDIT PROGRESS REPORT

APPENDIX 1

Date: November 2025

Bromsgrove District Council
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1. Background

1.1 The Council is responsible for maintaining or procuring an adequate and effective internal audit function under the Accounts and Audit (England) Regulations 2024.

1.2 The Global Internal Audit Standards (the Standards) require the Audit, Governance and Standards Committee to scrutinise the performance of Internal Audit and to satisfy itself that it is receiving appropriate assurance that the controls put in place by management address the identified risks to the Council. This report aims to provide the Committee with details on progress made in delivering planned work, the key findings of audit assignments completed since the last Committee meeting, updates on the implementation of actions arising from audit reports and an overview of the performance of the team.

2. Performance

2.1 ***Will the Internal Audit Plan be delivered?***

The position at the time of writing this report is as follows:

- 1 assignment is fully completed.
- 3 assignments are at the draft report stage.
- 10 assignments are in progress.
- 2 assignments are at the planning stage.
- 2 assignments have not yet been started.

2.2 The service is fully resourced. The annual plan was approved later this year, in July. The annual plan was developed later to allow for the development of an internal audit universe and for a comprehensive review of risk and coverage to be undertaken with the new Deputy Chief Executive. Adequate resources are in place to deliver the remainder of the Plan and the Annual Internal Audit Opinion for 2025/26. All work has been allocated, and delivery will accelerate in the coming months. Progress on individual assignments, including commentary on the results of those which are complete, is set out at pages 7 to 8.

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2.3 ***Performance Indicators***

The service is implementing a suite of indicators which aim to demonstrate and enhance performance. Each individual member of staff has an agreed target to deliver 90% of their own work plan by the end of March each year. In addition, the following performance indicators have been established, and the results will be included in the annual report for 2025/26:

Description	Narrative	Target
Delivery	% of audit days delivered by Year End	90%
Productivity	% of available time spent on productive audit work	80% Actual YTD: 86%
Effectiveness	% of agreed recommendations implemented by the target date	75%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as “Very Good” or “Good”	80%

2.4 ***Based upon recent Internal Audit work, are there any emerging issues that impact upon the Internal Audit opinion of the Council’s Control Framework?***

At this stage there are no emerging issues arising from the work of Internal Audit which significantly impact upon the Internal Audit opinion of the Council’s Control, Governance and Risk Management framework for 2025/26.

2.5 ***Are clients progressing audit recommendations with appropriate urgency?***

At the time of writing there are 18 outstanding internal audit recommendations, which is a reduction compared with 22 in September 2025. There is 1 overdue High priority action related to the provision of assurance that cyber security awareness training has been completed by all Members. The position on this will be reviewed and updated before Christmas.

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3. Internal audit opinions and prioritisation of recommendations

3.1 The Auditor's Opinion for each assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The table below explains what the opinions mean:

Table 1 – Assurance Categories

Opinion	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The prioritisation of recommendations made by Internal Audit is based upon an assessment of the level of risk exposure. The Auditor's Opinion considers the likelihood of corporate/ service objectives not being achieved, and the impact of any failure to achieve objectives. In order that recommendations can be prioritised according to the potential severity of the risk, a traffic light system is used as follows:

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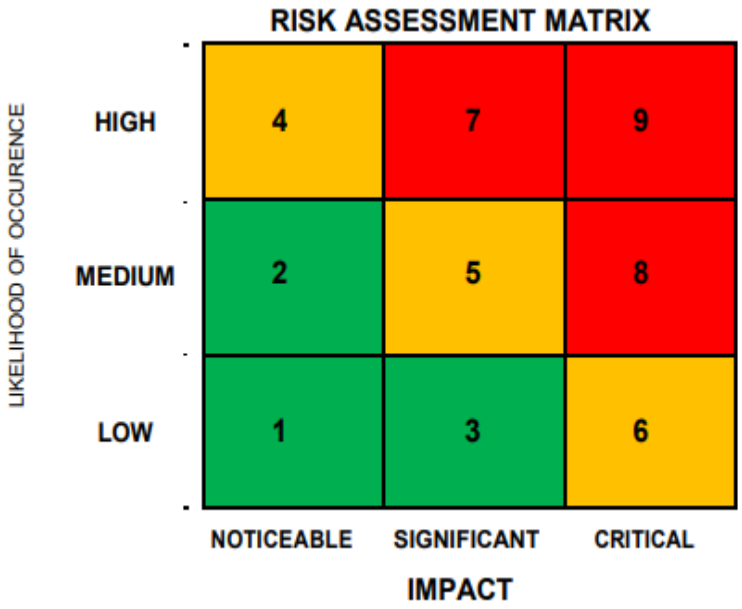
Table 2 - Definition of Priority of Recommendations

Risk Level	Definition	Matrix
H (7-9)	Immediate control improvement required. Fundamental control weaknesses that present a significant material risk to the function or system objectives and requires immediate attention by Senior Management.	
M (4-6)	To be monitored closely and cost-effective controls sought. Other control weaknesses where there are some controls in place but there are issues with parts of the control that need to be addressed by Management within the area of review.	
L (1-3)	To be reviewed regularly and seek low-cost control improvements. Issues of best practise where some improvement can be made.	

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4. Internal Audit delivery

4.1 As at 31st October 2025 119 productive days had been delivered against the full year plan of 250 days. It is anticipated that the objective of hitting 90% of the full year plan by 31st March 2026 will be achieved.

Table 3 - Summary of Days Delivered for 2025/26

Summary of Audit Areas	Plan Budget	Days Delivered as at 31/10/2025
Core Financial Systems	83	33
Corporate Work	79	41
Other systems audits	62	28
Sub total	**224**	**101**
Support Budgets including reading, audit management meetings, corporate meetings, annual plans, reports and Audit Committee Support.	26	18
Sub total	**26**	**18**
Total Audit Days	**250**	**119**

The following table shows the status of each assignment in the annual plan, the budget in days, and the anticipated reporting date. This table will also summarise the findings of each of the audits as they are completed. The table is designed to assist members in building up a picture of the assurance being provided during the course of the year.

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Table 4 – Summary of Internal Audit progress and findings, year to date

Audit Area	Status	Anticipated Reporting Date	Assurance Rating	Summary of Findings/ Comments
General Ledger	Draft Report issued	October 2025	TBC	
Payroll	Work in Progress	December 2025	TBC	
Treasury Management	Not Yet Started	March 2026	TBC	
Contract Management	Work in Progress	January 2026	TBC	
Procurement	Planning	March 2026	TBC	
Use of Grant Monies	Work in Progress	March 2026	Not Applicable	Certification work is completed as and when required.
Creditors/ Accounts Payable	Not Yet Started	February 2026		
Insurance	Work in Progress	January 2026	TBC	
Corporate Health & Safety	Draft Report issued	December 2025	TBC	
Anti-Fraud, Bribery & Corruption	Work in Progress	January 2026	TBC	
Agency Staff & Consultancy Expenditure	Planning	February 2026	TBC	

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Audit Area	Status	Anticipated Reporting Date	Assurance Rating	Summary of Findings/ Comments
Data Protection/ GDPR	Work in Progress	January 2026	TBC	
Local Government Transparency Code	Draft Report issued	October 2025	TBC	
Environmental Impact Assessments	Work in Progress	December 2025	TBC	
Safeguarding	Work in Progress	February 2026	TBC	
Assurance Statements of Internal Control	Completed	Not applicable	Not applicable	This work supports the Council in preparing its Annual Governance Statement.
Food Waste consultancy review	Work in Progress	December 2025	Not applicable – consultancy work	
Follow up of Recommendations	Work in Progress	March 2026	TBC	At the time of writing there are 18 outstanding internal audit recommendations, of which 1 High risk recommendation is overdue.

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5. Limitations inherent in the work of internal audit

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit Committee subject to the limitations outlined below.

Opinion

Each audit assignment undertaken addresses the control objectives agreed with the relevant responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work, were excluded from the scope of individual internal audit assignments or were not brought to the attention of Internal Audit. As a consequence, the Audit Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

Internal Control

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees, management override of controls, and unforeseeable circumstances.

Future Periods

The assessment of each audit area is relevant to the time that the audit was completed. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance, and for the prevention or detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected, additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

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BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 24th November 2025

Accounting Policies Report

Relevant Portfolio Holder		Councillor Sue Baxter Finance Portfolio Holder
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Assistant Director Finance & Customer Services Contact email: Debra Goodall@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee RESOLVE that:

1) **The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 accounts.**
2) **The Committee note the position in regard to other financial indicators set out in this report.**
3) **Note the position on the Financial Stability Plan.**

To RECOMMEND to Cabinet

4) **Any areas of concern within this key compliance report for consideration.**

2. BACKGROUND

2.1 From a Governance point of view, the financial framework under which the Council works is set out in the Constitution. In addition to this there are legislative reporting requirements which set out what needs to be done and by when. The Accounting Policies report which was tabled at the Audit, Standards and Governance Committee on the 1st June set out the Financial Governance Framework, and associated references to key documentation, that the Council, it's Member and Officers work to. These are (in summary):

- **The Budget and Policy Framework Procedure Rules**. These set out: The framework for Cabinet Decisions, Decisions outside the budget or policy framework, Urgent Decisions outside of the Budget or Policy Framework, Virement rules, In-year changes to policy framework and, Call-in of decisions outside the budget or policy framework.

These rules set out how decisions can be made, by whom and how they can be challenged.

- **Financial Procedure Rules** which are set out in Part 15 of the Constitution. These "operational policies" run to 36 pages and set out how the organisation financially runs it's "day to day" business. A full review of these is being undertaken as part of the Financial Stability Plan, discussed in further detail in a separate section of this report.
- **Finance Protocols** which set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

2.2 One of the legislative reporting requirements the Council had not achieved is the delivery of the 2020/21, 2021/22 and 2022/23 Statement of Accounts which resulted in the issuing of a Section 24 Statement for the Council. Redditch Borough Council (RBC) were also issued with a Section 24 Statement for the same non delivery of these accounts which is understandable given that officers support both Councils via a shared service.

2.4 Following the issuing of the original Section 24 Statements, and a review of why this happened which was undertaken by a Task Group of this Committee, the decision was taken to increase the frequency of Audit Committee meetings to six times a year until the Council rectified the situation. This was revised back to 4 meetings a year at the Audit, Standards and Governance Committee in January 2025.

2.5 The 2025/6 budget was approved at Council on the 19th February 2025.

Legislative Requirements

2.6 Attached as Appendix A are the key legislative deliverables, which were circulated by the Government for the 2025/26 financial year. The Council has delivered against all of the deadlines to date with the exception of the Whole of Government Accounts Cycle 1 which was due on 29th August. The Council has been unable to complete this in line with the submission deadlines but has begun work on the return.

2.8 Although the VAT returns are up to date, work continues to provide assurance to HRMC regarding the VAT return submitted in December 2024 covering the three years previous to this. In order to provide additional assurance, the Council has employed an experienced VAT accountant to work alongside our VAT consultants, PS Tax. The Council has also arranged mandatory VAT training for all Finance staff which has now taken place. Training will now be rolled out across the organisation.

2.9 Appendix B reflects a wider set of deliverables (outside the 2025/26 MHCLG Listing). These have now been fully delivered.

Financial Stability Plan

2.10 Following the successful completion of the Financial Improvement Plan and the delivery of the Accounts for 2020/21 – 2024/25, the Council has now developed a Financial Stability

Plan. This covers a number of areas including; the Tech One system; financial regulations; and structure of the finance team.

Tech One system

2.11 A full root and branch review of the Tech One system has taken place. It is likely that some elements of the current system can be fixed through 'patches' whilst other parts may well need a full re-instatement. There is currently a health check underway with Tech 1. Any revised implementation will be entered into with the support of Technology One and will include full interaction with end-users and a re-specification based on the feedback from user-acceptance testing. A meeting is scheduled to be held with Tech One to discuss the outcomes of the review in mid-November.

Stabilisation of the Council's finance service

2.12 The Council is seeking to increase the capacity and resilience of its finance service through a number of ways, including a recruitment campaign and will engage with Members as appropriate. Any immediate pressures are being addressed through a hybrid of a permanent recruitment campaign to resource the service as deemed necessary combined with an urgent need to recruit covering interim staff whilst the permanent team is established. Interim resource has successfully been recruited into key roles within the finance team.

Update on the Statement of Accounts

2.11 Following the General Election in July 2024, the previous Minister of State for Housing, Communities and Local Government Jim McMahon OBE MP wrote to Councils noting the significant and unacceptable backlog of unaudited accounts. This situation undermines trust and transparency in the way taxpayers' money is being spent and auditors cannot focus on up-to-date accounts, where assurance is most valuable.

2.12 To tackle the backlog, The Minister laid secondary legislation, and this legislation was approved on the 9th September to provide for an initial backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates: 2015/16 through to 2019/20 had to be signed off by the 30th December 2023.

Financial Year	Backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

2.13 The Council, as set out at the meeting on the 5th December has received "Disclaimer Opinions" for the 2020/21, 2021/22, and 2022/23. The 2023/24 Accounts are currently being audited by Ernst and Young. An update is given in a later section of this report.

2.14 The council's position on these key Closure deliverables are as follows:

- Closure 2020/21- Reported as per the 5th December Audit Committee and Disclaimer Opinion received and approved.
- Closure 2021/22 - Reported as per the 10th December Audit Committee and Disclaimer Opinion received and approved.
- Closure 2022/23 - Reported as per the 5th December Audit Committee and "Disclaimer Opinion" received and approved.
- Closure 2023/24 - Draft Accounts have been available for public consultation since the 14th January. Ernst & Young, the External Auditors, are currently carrying out their audit. However, they are expecting to issue a 'disclaimer opinion' for these accounts
- Closure 2024/25– completed by 30th June deadline as required for public inspection period.

2.15 As per the requirement of the Draft External Auditors Report 2021/22 and 2022/23 on the 27th November 2023, the External Auditors made a further written recommendation of the Authority under section 24 of the Local Audit and Accountability Act 2014 in relation to its financial systems and governance arrangements. They recommended that the authority should produce "true and fair" draft accounts for 2020/21, 2021/22 and 2022/23 signed off by the S151 Officer and supported by high quality working papers. This has now been complied with although given the instigation by the Government of the backstop date and the requirement of "disclaimer opinion" audits across the Country it is not clear how the new Auditors will frame their 2023/4 External Audit Report in respect of this matter.

2.16 As has been reported previously the combined 2021/21 & 2022/23 Draft External Audit Report set out that:

- The S24 Recommendation still in place and extended for 2021/22 and 2022/23 Accounts.
- All of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.
- 9 of 13 2020/21 Improvement Recommendations either fully or partially delivered.
- There was one new Key Recommendation – linked to Workforce Strategy.
- There were ten updated Improvement Recommendations. The Council has met nine of these.

2.17 In terms of those Draft External Audit Reports the following progress has been made against recommendations (Key and Improvement):

- The Accounting Policies Report goes to every Audit Committee.
- The key closure deliverables for each financial year are clearly set out. The owners of these deliverables are the S151 and Deputy S151 Officers.
- Progress on key financial and compliance indicators are reported quarterly to CLT and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a

requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.

- Delivery of Financial training detailed in this document will move staff to right level of skills.
- TechOne is being upgraded to version 25B in November 2025.
- Quarterly combined financial and performance monitoring started in the 2022/23 financial year and has continued in 2025/26.
- The 2024/25 and 2025/26 MTFP process has been completed in both Councils. Work for the 2026/27 MTFP process has begun in both Councils.
- Risk workshops are still to be run to assess Risk Appetite of Executive and Audit Committees.
- A Treasury Management strategy, half yearly report, and outturn report are now part of the work programme. 2024/5 Half Yearly Reports have been delivered and an Outturn Report went to July Cabinet. 2025/26 Half Yearly Reports have also been delivered
- To address staffing issues, additional posts have been recruited to as the team looks to start to move any from its reliance on external agency/consultants. Further posts are being recruited to as part of the stability programme.

In terms of more specific items:

- More Budget Consultation was addressed in Tranche 1 of the budget through a targeted consultation process which finished on the 2nd January 2025. Again, this is being addressed in Stage 1 and is due to finish in early January 2026.
- Wider savings monitoring is now being undertaken as part of the Quarterly monitoring process.
- Capital and its deliverability has been reviewed as part of the 2025/6 Budget Tranche 2. This will continue as part of the 2026/27 MTFP and the in-year monitoring processes.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service has been externally assessed in early 2024 and passed that assessment.
- The Council is seeking an independent Audit Committee member and ensures the Committee remains apolitical in nature.
- Procurement and contract rules have been updated (to reflect changes to legislation in February 2025).
- Performance Indicators have been reviewed and updated following the Strategic Priority setting sessions and the delivery of simplified Business Plans during the summer of 2024. The first updated performance indicators were part of the Q3 monitoring.

2.18 It was confirmed by the PSAA that Ernst and Young would become the Councils External Auditors on the 24th October. The onboarding process has now completed and Ernst and Young have begun their checks on the 2023/24 Statement of Accounts. They have confirmed that they expect these to be fully disclaimed.

2.19 In terms of the 2024/5 Closure position, the draft accounts were ready for Public Consultation at the end of June 2025 as per existing Government legislation. The Public Consultation end date is Thursday 7 August 2025. Auditing of these accounts will

depend on Ernst and Young and the planning process but is expected to be close to the Government backstop date of 27 February 2026.

Update On 2025/26 Budget

2.20 The Council's 2025/26 Budget was approved on the 19th February 2025 at Council. Budgets were loaded onto TechOne in July.

2.21 Quarter One 2025/6 Financial and Performance monitoring reports went to Cabinet in September. Quarter Two has now been produced and is due to go to Cabinet in November.

Compliance Items

2.22 In their meeting in January 2024, Members requested further training to ensure they were informed in their decision making in this committee. Two sessions have been held in May and July 2024 and a further session was held on the Accounts in July 2025.

2.23 There are a number of areas where compliance is now being measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Report 2020/21 and the Combined 2021/22 & 2022/23. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils.

Training:

- Mandatory Budget Manager Training (including the use of TechOne) took place in September 2023 – upskilling budget managers with the tools to input their forecasts directly onto TechOne. This will be reviewed again as part of the Financial Stability Plan.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.
- Mandatory Purchase Order Retraining is now taking place annually.
- Mandatory VAT training for all finance staff took place in November 2025.

New tranches of training are being organised regularly.

Treasury Management

- The 2023/4 Outturn Report was approved by Cabinet in September (Council in October).
- The 2025/6 Strategies were approved by Council on the 19th February 2025.
- The Q1,Q2 and Q3 2024/5 positions have been reported in the Finance and Performance Reports. The Outturn report will be reported to Council in September.
- The 2024/25 Outturn Report was presented to Council in September 2025.

- The Q1 2025/26 position has been reported to Council in September 2025.
- The Q2 2025/26 position will be reported to Council in December 2025.

Errors:

- Non delivery of GPC Card Data (monthly basis) – – now being completed on a monthly basis
- Miscoding on TechOne per month – by Service Area –miscoding is now being cleared on a monthly basis. Previous years have been reconciled in most areas.

Procurement:

- The new 'No Compliance No Order' process has been live since April 2023.
- We have now got to the place where the number of orders coming to procurement for approval where contracts are not in place are minimal and SLT are now putting in place measures to stop these going forward.
- Council in February 2024 approved an increase of the Key Decision Level from £50k to £200k. The Finance and Performance Monitoring Reports now set out:
    - All contracts requiring renewal over the next year that are over the present £200k threshold and these are placed on the forward plan.
    - All contracts requiring renewal over the next year that are between £50k and £200k for reference.
    - All contracts that are being procured by Redditch over this period that relate to Bromsgrove Services.

2.24 The issues with cash receipting work is ongoing but the closure of 2020/21 through to 2023/4 has reallocated over £125m of income wrongly allocated to suspense accounts. This ongoing work will be picked up as part of the Financial Stability Plan

Summary

2.25 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. The 2020/21 to 2023/24 draft Accounts have now been submitted for Public Inspection and Audit and the report sets out the Plan for the delivery of other years accounts. This report is now up to date as at the end of November 2025 and delivered to each Audit, Standards and Governance Committee at Bromsgrove to updates it on progress against targets and also alert them to any issues and risks.

3. FINANCIAL IMPLICATIONS

3.1 This paper sets out the financial frameworks within which the Council works. The Closure of accounts process and the associated audit process confirms the overall financial position of the Council

4. LEGAL IMPLICATIONS

4.1 There are no direct legal implications arising as a result of this report; however, the frameworks are generally linked to statute or the Council's Constitution.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

5.1 The Strategic purposes are included in the Council's Corporate Plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the District and our communities. Our Financial monitoring and strategies are integrated within all our Strategic Purposes.

Climate Change Implications

5.2 There are no direct climate change implications arising as a result of this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 There are no direct equalities implications arising as a result of this report.

Operational Implications

6.2 Operational implications have been dealt with as part of the 2023/24 MTFP and 2024/25 MTFP, quarterly monitoring and the Closedown process.

7. RISK MANAGEMENT

7.1 The financial stability and sustainability of the Council is a core underlying theme of the Council's Risk Management Strategy and part of this Committees remit to scrutinise. The closure of the four years accounts up to 2023/24 and submission of an audit opinion up to 2022/23 is key to ensuring there is external validation to the Councils overall financial position.

7.2 The Impact of the government imposed "backstop position", which has led to "disclaimer opinions here and also at numerous other Councils is still to be understood and remains a significant risk, especially as the Council now has three of these Opinions.

7.3 Deliver of financial data to government is important in their allocation of resources process. It is key that the Council deliver this information to timetable and the required standards.

8. BACKGROUND PAPERS

Interim Auditors Annual Report on Bromsgrove District Council 2021/22 & 2/22/23 – Audit Standards and Governance Committee November 2023, Council December 2023.
Section 24 Report to Audit and Council – November/December 2022.
Accounting Policies Report – March, July, September and November 2023, January, March, May, July, September and December 2024, January 2025 – Audit, Standards and Governance Committee
Finance Recovery Report – July 2023, October 2023, September 2024 – Cabinet

Programme Management Office Requirements – June 2023 – Cabinet
Approvals to Spend Report - July 2023 – Cabinet

9. Appendices

Appendix A – DLUHC Deliverables timetable
Appendix B – Timetable of other deliverables

BROMSGROVE DISTRICT COUNCIL

Appendix A Audit, Standards and Performance Committee 24th November 2025

Return	Council	Return Type	Code	Description	Period End	Submission Deadline	Completed?
Revenue Account Budget	BDC/RBC	GVT	RA	Local authority revenue expenditure and financing for 2025-26 Budget	2025-26	04-Apr-25	Complete
Quarterly Borrowing & Lending - Quarter 4	BDC/RBC	GVT	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2024-25	Q4 2024-25	07-Apr-25	Complete
Capital payments & receipts Q4 and provisional outturn	BDC/RBC	GVT	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2024-25. Expanded collection, used as provisional outturn.	Y/E 2024-25	25-Apr-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Apr-2025	08-May-25	Complete
Council Tax & NDR Collection - Quarter 4	BDC/RBC	GVT	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2024-25; and receipts collected in Q4 and local council tax support claimants at the end of Q4	Q4 2024-25	09-May-25	Complete
Non Domestic Rates Outturn- unaudited	BDC/RBC	GVT	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2024-25- provisional data	Prov'n Outturn 2024-25	31-May-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-May-25	06-Jun-25	Complete
Exit payments	BDC/RBC	GVT	exit	Local authority exit payments, 2024-25	Y/E 2024-25	06-Jun-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Jun-25	07-Jul-25	Complete
Quarterly Borrowing & Lending - Quarter 1	BDC/RBC	GVT	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2025-26	Q1 2025-26	07-Jul-25	Complete
Council Tax & NDR Collection - Quarter 1	BDC/RBC	GVT	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2025-26; Number of local council tax support claimants at the end of Q1 2025-26	Q1 2025-26	11-Jul-25	Complete
Revenue Outturn suite - provisional	BDC/RBC	GVT	RO	Local authority revenue expenditure and financing, 2024-25 Outturn (first release)	Prov'n Outturn 2024-25	25-Jul-25	Complete
Capital Payments & Receipts - Quarter 1	BDC/RBC	GVT	CPR1	Cumulative capital expenditure and receipts for Q1 2025-26	Q1 2025-26	25-Jul-25	Complete
Quarterly Revenue Update - Quarter 1	BDC/RBC	GVT	QRU1	Q1 2025-26 data and forecast end year local authority revenue expenditure update	Q1 2025-26	01-Aug-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Jul-25	07-Aug-25	Complete
Capital Outturn Return	BDC/RBC	GVT	COR	Final capital outturn figures for 2024-25	Outturn 2024-25	22-Aug-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Aug-25	05-Sep-25	Complete
Local Government Pension Funds	BDC/RBC	GVT	SF3	Collect information on income and expenditure on local government pension schemes for 2024-25	Outturn 2024-25	12-Sep-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Sep-25	07-Oct-25	Complete
Quarterly Borrowing & Lending - Quarter 2	BDC/RBC	GVT	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2025-26	Q2 2025-26	07-Oct-25	Complete
Revenue Outturn suite - certified	BDC/RBC	GVT	RO	Local authority revenue expenditure and financing, 2024-25 Outturn (second release)	Certified O'turn 2024-25	10-Oct-25	Complete
Council Tax Base/ Supplementary	BDC/RBC	GVT	CTB	Information about the 2025 council tax base for each billing authority.	2025	10-Oct-25	Complete
Council Tax & NDR Collection - Quarter 2	BDC/RBC	GVT	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2025-26; Number of local council tax support claimants at the end of Q2 2025-26	Q2 2025-26	10-Oct-25	Complete

BROMSGROVE DISTRICT COUNCIL

Appendix A Audit, Standards and Performance Committee 24th November 2025

Return	Council	Return Type	Code	Description	Period End	Submission Deadline	Completed?
Quarterly Revenue Update - Quarter 2	BDC/RBC	GVT	QRU2	Quarter 1 & 2 2025-26 data and forecast end year local authority revenue expenditure update	Q2 2025-26	17-Oct-25	Complete
Capital Payments & Receipts - Quarter 2	BDC/RBC	GVT	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2025-26	Q2 2025-26	24-Oct-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Oct-25	07-Nov-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Nov-25	05-Dec-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Dec-25	08-Jan-26	
Quarterly Borrowing & Lending - Quarter 3	BDC/RBC	GVT	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2025-26	Q3 2025-26	08-Jan-26	
Council Tax & NDR Collection - Quarter 3	BDC/RBC	GVT	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2025-26; Number of local council tax support claimants at the end of Q3 2025-26	Q3 2025-26	16-Jan-26	
Capital Payments & Receipts - Quarter 3	BDC/RBC	GVT	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2025-26	Q3 2025-26	23-Jan-26	
Quarterly Revenue Update - Quarters 3 & 4	BDC/RBC	GVT	QRU3	Quarter 1 to 3 2025-26 data and forecast end year local authority revenue expenditure update.	Q3 2025-26	23-Jan-26	
Non Domestic Rates Forecast	BDC/RBC	GVT	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2026-27	2026-27 Forecast	31-Jan-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Jan-26	06-Feb-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	28-Feb-26	06-Mar-26	
Council Tax Requirement/ Parish Council Tax	BDC/RBC	GVT	CTR1/2/3/4	Information on council tax levels set by local authorities in 2026-27. Council tax levels for 2026-27 set by parishes	2026-27 Forecast	11-Mar-26	
of which: Parish council tax	BDC/RBC	GVT	-	Information on council tax levels set by parish and town councils in 2026-27. This data is collected on the CTR1 form but published later		11-Mar-26	
Capital Estimates Return	BDC/RBC	GVT	CER	Capital forecast for 2026-27	2026-27 Forecast	27-Mar-26	
Revenue Account Budget	BDC/RBC	GVT	RA	Local authority revenue expenditure and financing for 2026-27 Budget	2026-27 Forecast	03-Apr-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Mar-26	07-Apr-26	

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 29th September 2025

Appendix B – Calendar of Financial Requirements

Budget

- ***2025/6 Budget and MTFP delivered 19tt Feb 2025.***
- Council Tax Base – Yearly – ***2025/26 delivered on 7th January 2025***
- Council Tax Resolution – ***Yearly 2025/26 delivered on 19th February 2025***
- Council Tax Billing – Yearly (2 weeks before 1st DD is due to be taken) – ***Bills distributed in March 2025***

- **Policies**
  - Treasury and Asset Management Strategies
    - 23/24 Draft Outturn Report ***delivered September 24.*** *24/25 Outturn delivered* ***July 25***
    - *25/26 Strategy* – ***delivered as part of the MTFP on the 19th Feb 2025.***
  - 25/6 Council Tax Support Scheme ***approved on 19th January 2025.***
  - Minimum Revenue Provision – yearly – ***delivered as part of the MTFP on the 19th Feb 2025.***
- Financial Monitoring – ***2024/5 Q1 Finance and Performance Report delivered to Cabinet Sept 24. Q2 on 10th Dec 24, Q3 on 26th March 2025, Outturn in July 2025, Q1 2025/26 Sept 2025, Q2 2025/26 Nov 2025***
- Risk Management – ***Q1 2024/5 delivered July 2024, Q2 in Dec 24, Q3 in March 25, Outturn in July 2025, Q1 2025/26 Sept 2025, Q2 2025/26 Nov 2025***
    - Savings Report – ***23/4 Outturn Report delivered in May 2024, Q1 24/5 in Sept 24, Q2 in Dec 24,.Q3 in March 25, Q4 in July 25 onwards. NOW PART OF QUARTERLY MONITORING***
- Whole of Government Accounts Returns
    - ***No longer required for previous years***. ***Outstanding for Cycle 1 2024/25.***
- Over £500 spending.
    - ***Updated to Oct 2025.***

The following deliverables, prior to December 2023 are still to be delivered:

- Government Returns
  - VAT – Monthly
    - ***discussions ongoing with HMRC since mid-summer 2024 with final versions provided to get transactions up to date on the 19th December 2024. Monthly returns are now being submitted from December 2024***

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2025/26

24th February 2026

Standing items:

- Standards Regime – Monitoring Officer's Report
- **External Audit Backstop Report** (Main item - signing off the accounts)
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Management Report / Quarterly Risk Update
- Risk Champion Update
- Committee Work Programme

Other items:

- Capital Strategy 2026-27 including Treasury Management Strategy
- Whistleblowing Policy Update

16th April 2026

Standard items:

- Standards Regime – Monitoring Officer's Report
- External Audit Backstop Report
- Internal Audit Progress Report
- Risk Management Report / Corporate Risk Register
- Financial Compliance Report including update on Statements of Accounts
- Risk Champion Update
- Committee Work Programme

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